

# FY2025 Annual Members' Meeting

**Mercer Superannuation (Australia) Limited**  
**ABN 790 004 717 533 AFS Licence 235906**  
**as Trustee for Mercer Super Trust ABN 19 905 422 981**

## Additional member questions

Members of the Mercer Super Trust (**Mercer Super**) submitted questions at registration and during the FY2025 Annual Members' Meeting (**AMM**). Many questions were answered live during the AMM, with similar topics grouped together. The AMM minutes include these responses.

Questions not addressed during the AMM are answered thematically below. Similar to the live Q&A segment, questions on related topics may be consolidated in the responses. Questions are presented as submitted by members.

Members who raised questions relating to their individual circumstances have been contacted directly with a response. For additional questions, contact us by either logging into your super account and submitting a query or phoning us on:

Plan	Helpline Phone
Mercer Super Trust ( <b>MST</b> )	1800 682 525 (outside Australia +61 3 8306 0900)
MST Pension members	1800 671 369
Virgin Money Super	1300 652 770
TAL Super	1300 209 088
AIA Super	13 10 56
Westpac Group Plan – Defined Benefit	1800 227 262

## Important notes

Issued by Mercer Superannuation (Australia) Limited (**MSAL**) ABN 79 004 717 533, Australian Financial Services Licence 235906, the trustee of the Mercer Super Trust ABN 19 905 422 981 (**Mercer Super**). Any advice provided is of a general nature and does not take into account your objectives, financial situation or needs. Before acting on any advice we recommend you obtain your own financial advice and consider the Product Disclosure Statement (**PDS**) available at [mercersuper.com.au](http://mercersuper.com.au). The product's Target Market Determination setting out the class of people for whom the product may be suitable can be found at [mercersuper.com.au/tmd](http://mercersuper.com.au/tmd).

Past performance is not a reliable indicator of future performance. The value of an investment in Mercer Super may rise and fall from time to time. The investment performance, earnings or return of capital invested are not guaranteed.

Ratings are likely to change and are only one factor to be taken into account when deciding to invest in a product.

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The trustee has appointed Mercer Investments (Australia) Limited (**MIAL**) ABN 66 008 612 397 AFSL 244385 as an implemented consultant to provide investment strategy advice, portfolio management and implementation services including investment manager selection and monitoring. MIAL is also the responsible entity of a number of investment funds (the **Mercer Funds**). Mercer Super invests in the Mercer Funds. Neither MSAL or MIAL or any of the underlying fund investment managers guarantee the investment performance, earnings or return of capital invested in any of the Mercer Super investment options. References to 'Mercer' in this document are to MIAL and Mercer's global investment business.

The trustee has appointed Mercer Financial Advice (Australia) Pty Ltd (MFAAPL) ABN 76 153 168 293 Australian Financial Services Licence 411766 to provide financial advice services for members of Mercer Super. Mercer Financial Advisers are authorised representatives of MFAAPL. Any information on tax in this document is based on our interpretation of current tax laws which are subject to change. We recommend you obtain your own tax advice when considering the application and impact of tax laws that may affect you. No warranty as to the accuracy or completeness of this information is given and no responsibility is accepted by MAPL or any of its related entities for any loss or damage arising from reliance on the information.

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Questions relating to personal circumstances, personal advice or certain commercial, legal and confidential matters cannot be addressed as part of the AMM. Unless indicated otherwise, responses relate to accumulation style and pension superannuation accounts and benefits. If you are a Defined Benefit member, some rules and processes may be different so you should contact our Helpline for more information.

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# 1. Investments

## 1.1. ESG

**1.1.1. Is Mercer investing in projects that promote sustainability/environmental improvement/social causes? If so, what are those?**

**1.1.2. What are the sustainable funds' investments that are part of the investment portfolios?**

**1.1.3. How does Mercer ensure members' investments are ethical?**

**Response:**

- Mercer Super's primary responsibility is to act in the best financial interests of members. Within this context, the fund invests in various companies or assets that are expected to deliver environmental or social improvements. This is more intentional in those investment options and asset classes with a "sustainable" label but is also the case for other asset classes such as infrastructure where we invest in renewable energy and other social infrastructure. Further detail is outlined in the [Sustainable Investments Information booklet](#) and the relevant product's [Investments Booklet](#).

**1.1.4. What has Mercer done to avoid any further greenwashing and put in place proper governance practices for sustainability investments?**

**Response:**

- Mercer Super has implemented a stronger approach to our governance practices with an aim to improve outcomes for beneficiaries and prevent greenwashing. Risk culture and process improvements have been a focus since 2024. This has included emphasis on a multi-team approach to risk management responsibilities for sustainable investment communications, beyond the sustainable investment team. There have been improvements to procedure and approval documentation practices, which are also now more clearly evidenced. Internal audit reviews have assisted in building confidence that those improvements are in place.

A new Sustainable Investment Committee for Mercer, together with trustee oversight, has a clear focus on monitoring compliance with the Mercer Super [Sustainable Investments Information booklet](#) and the [Mercer Investments Stewardship Policy](#).

**1.1.5. What is the total amount invested in fossil fuels by Mercer Super?**

**1.1.6. What percentage of funds are invested in the fossil fuel industry and what percentage of funds are invested in renewable energy? Are you considering from fossil fuels for the sake of the climate?**

**1.1.7. Do you invest in fossil fuel companies or weapons manufacturing companies?**

**Response:**

- Exposure to fossil fuel and weapons manufacturing companies varies across Mercer Super's investment options. Mercer Super offers sustainable-labelled investment options with various limitations on fossil fuel exposures in some asset classes, and has established exclusions criteria for controversial weapons on a fund-wide basis.

The Mercer Australia group, which includes MSAL, has also set a Net Zero Target by 2050, with a 2030 milestone reduction. Members can consult the [Portfolio Holdings Disclosure](#) for detailed exposure information and Mercer Super's [Sustainable Investment Information Booklet](#) for more on the sustainable-labelled investment options and the approach to climate change, including the Net Zero Target.

**1.1.8. In terms of investment - are there any types of companies that Mercer will not invest in?**

**Response:**

- Mercer Super has established exclusions criteria for controversial weapons and tobacco on a fund-wide basis, together with additional exclusions criteria for some asset classes within the sustainable-labelled options for activities such as gambling and fossil fuels, with the definitions, applicability and exceptions detailed in the [Sustainable Investment Information Booklet](#).

**1.1.9. Are you investing in weapons manufacturing and cryptocurrencies? Are you exposed to the US financial market and what percentage? Are you exposed especially to US Treasury bonds?**

**Response:**

- Mercer has set exclusions criteria for investments in controversial weapons as defined in the [Sustainable Investment Information Booklet](#).
- Mercer Super does not invest in cryptocurrencies (crypto), but some options may have indirect exposure to the digital-asset ecosystem via listed technology/financial companies involved in blockchain infrastructure or crypto adjacent services, depending on managers and benchmarks. To identify holdings in individual companies, check the Mercer Super website for the relevant investment option's Portfolio Holdings and reporting for current holdings and exposures.
- Exposure to US financial markets is significant within Mercer Super's international share portfolios, with exact percentages varying by investment option. US Treasury bond exposure is included within fixed interest allocations. Detailed portfolio holdings and exposures are disclosed in [Mercer Super's Portfolio Holdings](#) and [Quarterly Investment Reports](#) available on our website.

**1.1.10. Share a list of businesses you lend our super money to, if possible, thanks.**

**Response:**

- Mercer Super invests in a number of managed funds which invest in fixed interest and private debt investments. The portfolios are well diversified across a large number of borrowers. We generally do not disclose details of individual investments in these funds. We do disclose listed equity holdings for each investment option in the [Portfolio Holdings](#) section on the Mercer Super website under 'How Your Super is Invested'. This allows members to see which businesses their super funds are invested in.

**1.1.11. What is Mercer's stance on continuing investments in major oil and gas companies that lack a robust, science-based transition plan? Will Mercer commit to excluding companies that fail to demonstrate alignment with Paris Agreement goals?**

**1.1.12. How can Mercer's investments in these expanding fossil fuel operations be consistent with Mercer's acknowledgement that "climate change poses a systemic risk" that needs to be managed.**

**1.1.13. What actions have Mercer Australia already taken since 2021 to achieve its goals of net-zero investments in fossil fuel companies by 2050 when those corporations are currently expanding their operations?**

**1.1.14. How can Mercer reconcile its acknowledgment of climate change as a 'systemic risk' with the decision to remain invested in companies actively expanding the fossil fuel industry?**

**Response:**

- Mercer Super's primary responsibility is to act in the best financial interests of members. Within this context, Mercer also supports investment practices that support the transition to a low-carbon economy. Mercer expects major oil and gas companies in its portfolios to have robust, science-based transition plans aligned with the goals of the Paris Agreement, including clear pathways to net-zero emissions by 2050. Mercer and its appointed investment managers regularly engage with these companies to promote transparency, improved climate risk management, and credible transition strategies. While Mercer currently applies exclusions to some defined fossil fuels activities in sustainable-labelled asset classes, it does not categorically exclude all oil and gas companies. Members can find more detailed information in Mercer Super's [Sustainable Investment Information Booklet](#).

**1.1.15. How does Mercer say it believes in the goal of limiting global temperature increases to well below 2°C' while at the same time a Market Forces report says that Mercer has investments in fossil fuel companies that are expanding their operations thereby giving rise to ever increasing global temperatures?**

**Response:**

- For the Mercer Super investment options, Mercer is aligned to the Paris Agreement goal of limiting global average temperature increases this century to 'well below 2 degrees'. Mercer Australia, which includes MSAL, also set a Net Zero Target by 2050, with a 2030 milestone reduction, back in 2021. These foundations inform Mercer's investment approach. Where relevant, and consistent with meeting the stated investment objectives, the Climate Plan seeks to incorporate key sustainable investment principles as follows:
  - Integration – incorporating climate metrics in portfolio management including manager monitoring and strategic asset allocation modelling.
  - Stewardship – engaging with appointed investment managers, via collaborative initiatives or directly with companies to support decarbonisation and orderly climate transition.
  - Sustainable Options also incorporate climate-related themed investment allocations and relevant, additional screening criteria.
- Mercer recognises the concerns raised by the current warming and transition trajectories and the increasing challenge to respond to these developments while delivering outcomes for members consistent with stated investment objectives. Mercer's Analytics for Climate Transition (**ACT**) tool is one of the ways we seek to bring together historical emissions with forward looking transition indicators to inform the integration and stewardship actions we take. Mercer Super encourages members to review its [Sustainable Investment Information Booklet](#) for more information.

**1.1.16. The report by UN special rapporteur Francesca Albanese listed a range of companies that are complicit in the genocide of Gaza. 1. What level of exposure is there across the fund of these investments? What assessment has been made by the trustees to protect the members against legal action in complicity of holding such investments both by Mercer and its parent company?**

**Response:**

- The Trustee and Mercer understands members’ concerns about allegations of serious human rights violations and the reputational and financial risks these can pose to portfolios.

**What level of exposure is there across the fund?**

Exposure depends on the specific Mercer Super product and investment option (e.g., SmartPath cohort, ready-made options, Mercer Direct, etc.). Mercer Super’s [Portfolio Holdings](#) disclosures (typically updated 6-monthly for 30 June and 31 December holdings) are the primary way members can identify whether specific listed companies are held (directly or via underlying funds/mandates) and, if disclosed, the size of those holdings. For the most accurate and up-to-date answer for your holding, members should:

- check [Portfolio Holdings](#) for the relevant option; and/or
- log into Member Online to confirm their option(s) and access supporting disclosures.

**What assessment has been made by trustees to protect members against legal action / complicity risk?**

The trustee’s role is to act in members’ best financial interests and manage material risks, including environmental, social and governance (ESG)-related risks such as human rights controversies. Mercer and the trustee’s controls typically include:

- Investment governance and due diligence: assessing managers’ processes for identifying and managing ESG and controversy risks (including human rights), both at appointment and ongoing monitoring.
- Stewardship (engagement and voting): expecting managers to engage with companies on material ESG issues and to vote in line with stewardship expectations, escalating where concerns persist.
- Option design / exclusions where applicable: certain sustainable-labelled options may apply additional screens/exclusions (which can include categories linked to severe controversies), while diversified mainstream options generally focus on ESG integration and stewardship rather than blanket exclusions.
- Ongoing monitoring and escalation: reviewing controversy screens, external research and manager reporting; escalation may include deeper engagement, placing issuers on watchlists, or reassessing exposure/mandates depending on severity, persistence and investability.

On the specific question of “protecting members against legal action”, Mercer and the trustee generally do not provide legal advice to members and cannot pre-empt hypothetical litigation outcomes. Where members raise allegations involving international law or potential corporate complicity, the trustee would typically ensure the concern is reviewed through established governance channels (investment risk/ESG/complaints processes) and - where appropriate - seek external legal counsel. Members seeking a legal view on their own risk should obtain independent legal advice.

**1.1.17. To me, the 2 biggest events or issues that will affect any portfolio are Climate Change and AI. What strategy have you employed to prepare and protect our portfolio for the consequent impacts of these two topics? What expertise does Mercer have to guide you in these two areas? I would like some specific examples if possible.**

**Response:**

- Mercer integrates ESG factors and climate considerations into its investment processes, including in our engagement with appointed investment managers. Mercer Australia, which includes MSAL, also set a Net Zero Target by 2050, with a 2030 milestone reduction, back in 2021. Mercer Super also offers sustainable-labelled investment options with thematic allocations in some asset classes. Global unlisted infrastructure allocations also have meaningful exposure to renewable energy with more than 20% currently allocated to wind and solar assets. Mercer Super encourages members to review its [Sustainable Investments Information booklet](#) for more information.
- Regarding artificial intelligence (AI), Mercer invests in technology companies involved in AI within international share portfolios, managing thematic risks through diversification and active manager selection. Mercer's expertise is supported by dedicated sustainable investment teams and global research capabilities. Examples of holdings can be found in our Portfolio Holdings disclosure on our website [here](#).

## 1.2. Investment Options

**1.2.1. Does Mercer have a precious metals option?**

**1.2.2. Please comment on the meeting if Mercer will create a gold and silver investment option?**

**1.2.3. Can super be invested 100% in precious metals?**

**1.2.4. Can we have options to invest into Gold or silver bullions, not paper gold or silver?**

**1.2.5. Why does mercer not have a gold fund?**

**1.2.6. Central banks hold gold and it is an uncorrelated asset, so why isn't it available as a sector-based option to Mercer members who don't want to use Mercer Direct?**

**Response:**

- Mercer Super does not offer a dedicated precious metals investment option within its ready-made portfolios. The trustee evaluates product suitability and manager quality when determining available investment options. However, members can access precious metals exposure through Mercer Direct by investing in relevant Exchange Traded Funds (ETF) listed on the ASX.
- 1.2.7. If I wanted to invest indirectly through my super into a sector that had exposure to A.I, what would be the best approach? Also, do you feel that this sector has potential and if so? Is it likely to be robust in the next few years?**

**Response:**

- To invest indirectly in the AI sector through your superannuation, an approach is to select investment options that include international shares with technology sector exposure, as Mercer incorporates AI-related companies within these portfolios where appropriate. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser. As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no extra cost. Mercer Super's investment strategy employs diversification, active manager selection, and

dynamic asset allocation to balance potential growth opportunities with risk management, including mitigating concentration and valuation risks. The AI sector is widely regarded as having significant growth potential due to ongoing technological innovation and adoption across industries. Mercer cannot comment on the 'robustness' or 'potential' of the AI industry but it expects the industry, like other more mature industries, to face certain market volatility and evolving risks. Mercer's long-term, diversified investment approach aims to capture these opportunities while managing associated risks. Members can review the [Portfolio Holdings](#) and consider the relevant product's [Investments Booklet](#) for specific exposure details and consult Mercer Super's advice services for further guidance.

**1.2.8. Discuss and explore more options about high risk high return categories.**

**Response:**

- Mercer Super offers a range of higher risk, higher return investment options designed for members with higher risk tolerance seeking growth potential. These include growth-oriented diversified portfolios and sector-specific options. Performance data for these options is available in Mercer Super's Performance Reports and the relevant product's [Investments Booklets](#). Higher-risk options provide opportunities for greater returns alongside increased volatility. Members interested in exploring these options should review the relevant Investments Booklet and Mercer Direct offerings. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser. As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no extra cost. You may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**1.2.9. Are there plans to offer China specific investment options (H or A share options)? Currently most options are too US centric and the US stock markets are extremely over-valued.**

**1.2.10. Does Mercer have an option to invest in China and Chinese tech companies?**

**Response:**

- Currently, Mercer Super does not offer dedicated China-specific investment options such as H-share or A-share funds within its standard investment menu, and we have no current plans to introduce this option. Most Mercer Super investment options have significant exposure to US markets due to their size and liquidity. Mercer periodically reviews its investment offerings and considers geographic diversification opportunities, including emerging markets like China. Any plans to introduce China-specific options would be subject to trustee approval and regulatory compliance. Mercer Super encourages members to monitor communications for updates on new investment options.

**1.2.11. What was the benefit of investing within Nvidia?**

**Response:**

- Mercer Super has exposure to technology companies participating in AI (e.g., Nvidia) in certain international shares options, where appropriate. The potential benefit of investing in Nvidia has been its exposure to structural growth themes such as accelerated computing and AI infrastructure (notably semiconductors and related platforms used in data centres), which has supported strong earnings growth and market

performance during periods of rising AI adoption. Within a diversified portfolio, Nvidia can also provide exposure to innovation-led growth that may not be captured to the same extent in more defensive assets.

That said, these benefits come with risks that Mercer seeks to manage through diversification, active manager selection and dynamic asset allocation, because returns can be sensitive to valuation levels, competition, technology cycles, and concentration in a small number of large US technology companies. Members who want to understand their specific exposure can review the [Portfolio Holdings](#) page on our website for their chosen investment option as well as the [Investments Booklet](#) specific to their plan. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser.

**1.2.12. Are our funds exposed to Palantir?**

**Response:**

- Yes, as at 30 June 2025, the Mercer International Shares Fund had an exposure to Palantir Technologies. However, the exposure to Palantir Technologies (or any single company) will vary depending on the Mercer Super investment option you're invested in (e.g., SmartPath cohort, Ready-made option, sector option, Mercer Direct). Members who want to understand their specific exposure can review the [Portfolio Holdings](#) page on our website for their chosen investment option.

**1.2.13. Given super is a long term investment, is there an individual option to have direct 1:1 index exposure? Other than index ETFs and warrants?**

**Response:**

- Mercer Super offers a range of passively managed investment options that are designed to closely match the performance of market indices. These options include Passive Australian Shares, Passive International Shares, Passive and Australian Listed Property. We also offer Enhanced Passive Growth and Conservative Growth options. Refer to your product's PDS and [Investments Booklet](#) to see whether these options are available for your product and for more details.

**1.2.14. Can you have more details on the private equities investments you intend to focus on in 2026?**

**Response:**

- Mercer Super's 2026 private equity focus is expected to remain on building a well-diversified portfolio, including co-investments and secondary investments managed by established managers aimed at long-term growth and diversification, aligned to Mercer's strategic sector priorities. While the actual portfolio will be driven by the opportunities that present themselves, we will focus on regions such as North America, Europe and Asia, and sectors such as technology, health and business services.

**1.2.15. Will Mercer be expanding its range of investment options to include more sector-specific choices such as technology, resources, or small-cap funds?**

**Response:**

- Mercer Super periodically reviews the investment menu and may add or refine investment options where there is sustained member demand and a strong case that it financially benefits members overall. Any new sector options (e.g., tech/resources/small caps) would be communicated via product updates and reflected in the relevant product's PDS and [Investments Booklet](#).

**1.2.16. Does Mercer plan to introduce ETF-based investment options, similar to what other major funds now offer?****Response:**

- ETF exposure is typically available via Mercer Direct rather than as standalone pooled "ETF options". As noted in our response to question 1.2.14 above, we do offer a number of passive and enhanced passive options. We have no current plans to add ETF-based options.

**1.2.17. What barriers currently prevent Mercer from offering ETFs as standalone options, and are there plans to overcome these?****Response:**

- Key barriers are usually governance and product design (ensuring the option is in members' best financial interests), operational complexity (administration, trading/settlement, unit pricing, and disclosures), and ensuring the menu remains understandable and appropriate for a broad membership. There are no current plans to introduce ETFs as stand-alone investment options.

**1.2.18. Many members want more control without the complexity of the full direct investment option. Is Mercer considering an intermediate tier of investment choices - such as sector funds, ETF-based options, or thematic options - that allow greater flexibility but still remain professionally managed (e.g., 30% tech, 20% small caps, 10% commodities, etc.)?****Response:**

- Mercer Super recognises some members want more flexibility without running their own direct portfolio. Any move to an "intermediate tier" (e.g., model portfolios, building block funds, or themed sleeves) would need trustee approval and operational readiness, and would be communicated via product updates if progressed. However, there are no plans currently to introduce these type of investment options.

**1.2.19. How much flexibility will members have to build a custom investment strategy using more granular asset classes?****Response:**

- Flexibility depends on the relevant product the member is invested in and the investment menu for that product. Most members can switch between ready made or sector/style options where available, while the most granular control typically comes from Mercer Direct investments (where available). Please refer to the relevant product's PDS and [Investments Booklet](#) for further information.

**1.2.20. Does Mercer offer any direct commodities exposure, such as gold or diversified resources? If not, is this under consideration?**

**1.2.21. Does mercer invest in gold?**

**Response:**

- Mercer Super generally does not offer a standalone gold/commodities option in the standard ready-made menu, but commodities exposure may exist indirectly within diversified portfolios and can be accessed more directly via Mercer Direct where available. Any new dedicated commodities option would be subject to trustee review and approval.

**1.2.22. Are there plans for a dedicated Australian or global small-cap option?**

**Response:**

- Mercer Super has small cap exposure inside broader Australian/international equity portfolios, but a dedicated small cap standalone option would require a trustee decision based on demand, cost, and fit within the overall menu. If introduced, it would be communicated by a product update and reflected in the [Investments Booklet](#). However, there are no current plans to introduce these investment options.

**1.2.23. Will Mercer consider thematic high-growth options such as technology, innovation, or decarbonisation strategies?**

**Response:**

- Thematic exposure (technology/innovation/climate transition) is often gained within diversified equity allocations and sustainable options rather than via narrow themed funds. The trustee would potentially consider including dedicated thematic options if the trustee believed they would improve member outcomes and can be delivered with appropriate risk controls and disclosures. However, there are no current plans to introduce these investment options.

**1.2.24. How frequently is asset allocation reviewed, and does Mercer adjust sector exposures based on macroeconomic outlook?**

**Response:**

- Strategic asset allocation is typically reviewed on an annual basis, with more frequent monitoring and potential adjustments, to reflect factors such as the macroeconomic outlook, through dynamic asset allocation.

**1.2.25. Do any current Mercer investment options have indirect exposure to the digital-asset ecosystem, such as blockchain companies, crypto-related equities, or approved spot crypto ETFs?**

**Response:**

- Mercer Super does not invest in cryptocurrencies (crypto), but some options may have indirect exposure to the digital-asset ecosystem via listed technology/financial companies involved in blockchain infrastructure or crypto adjacent services, depending on managers and benchmarks. To identify holdings in individual

companies, check the Mercer Super website for the relevant investment option's [Portfolio Holdings](#) and reporting for current holdings and exposures.

**1.2.26. Why do you not offer a broader range (all?) IShare ETFs that trade on FTSE and S&P for members as investment options, as these provide members with low cost benchmark investments?**

**Response:**

- Specific ETF exposures are offered through Mercer Direct (where available), which allows members to select from approved listed investments, including many ASX-listed index ETFs. As noted in our response to question 1.2.13 above, we also offer a number of passive and enhanced passive investment options.

**1.2.27. Do you have any plans to expand your passive investment options as the current suite is somewhat limited?**

**Response:**

- We regularly review the investment menu, including whether additional passive/index options would improve outcomes for members, but any expansion is not something we can commit to in advance and would only occur if the trustee is satisfied it is in members' best financial interests overall, taking into account expected member benefit, total cost (not just headline fees), operational complexity (administration, unit pricing, trading and disclosures) and governance requirements. In the meantime, members can use the existing index/passive options available in the current menu (where offered for their product), and - where available - Mercer Direct can provide access to a wider range of listed index ETFs.

**1.2.28. How can I know what assets the fund is investing in?**

**1.2.29. Where exactly is my money invested and how do these assets classes align with the fund's mission and risk tolerance?**

**1.2.30. Investment options and risks?**

**1.2.31. I would like to know more where the super is being invested and know about the potential growth of my super investments.**

**1.2.32. What are the choices that I have to invest my superannuation money?**

**1.2.33. I would like to know about better investment opportunities.**

**1.2.34. Why does my super go down in money, what investment is made with the people's retirement money?**

**1.2.35. Customers should be informed about shareholders used and if they are losing and not gaining interest or funds.**

**Response:**

- Members can view the holdings in their specific investment options on the Portfolio Holdings Disclosure page (insert link) of our website. These holdings are updated 6 monthly and show holdings effective 30 June and 31 December.
- Mercer Super offers a range of products with different investment options for you to choose from, and each is underpinned by a range of asset classes – such as shares, property, fixed interest and cash. Different investment options carry varying levels of risk, depending on their mix of underlying assets. In respect to the tools we have available to help you easily compare investment risk across different funds and products,

all superannuation investment options carry a “risk label”, known as the Standard Risk Measure. It applies a scale from Very Low (Less than 0.5) to Very High (6 or more).

- To learn about the Standard Risk Measure and to check the Standard Risk Measure for a specific investment option, please refer to your [Investments Booklet](#). You have the flexibility to change how your account is invested at any time. Simply log into your account and submit an investment switch request. For more information on the available investment options and how they are invested, please refer to your PDS and Investments Booklet. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser.
- The right investment strategy for you depends on many factors including your personal circumstances, needs and objectives. What is the right investment option for you, or whether your current investment strategy needs to change, depends on your own specific needs and financial goals. As a Mercer Super member, you can [book a limited advice appointment with a financial adviser](#), – covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- Investment returns can be positive or negative depending on how you are invested and how the market is performing. You can check what investment option you are invested in by logging into your account. Further information on that and other available investment options is included in the relevant products [Investments Booklet](#).
- For information on performance please refer to the Monthly and Quarterly investment performance reports available on the website [here](#).

**1.2.36. Does Mercer have plans to allow members to invest directly in Shares and ETF’s?**

**1.2.37. Do you want to develop further the Direct Investment Option?**

**1.2.38. Why are there no Term Deposits for Direct Investment? I have asked since they were removed last year and been told "this is not an investment option offered at this time." This explanation is simply not good enough.**

**1.2.39. More information re Term Deposits.**

**1.2.40. Are there plans to expand Mercer direct list, enabling purchase of overseas stocks such as A shares in China or H shares in Hong Kong?**

**Response:**

- The Mercer Direct investment option allows members to invest directly in a range of shares and a selection of ETFs listed on the Australian Stock Exchange (**ASX**), as well as a range of term deposits. While Mercer Direct offers additional choice and control, some rules and restrictions apply. For more details about this option, read the [Mercer Direct Member Guide](#).
- The Mercer Direct investment option recently moved to a new platform provider in October 2025. The change included updates to fees, including a reduction in brokerage fees, changes to term deposit providers, the introduction of a dividend reinvestment option, as well as adjustments to the investment menu. Mercer Super will continue to review the Mercer Direct option to ensure it best meets the needs of members.
- Term Deposits investments can be made via Mercer Direct. Investment in Term Deposits was not available during the transition period to the new platform provider. They are once again available under the new platform. Please refer to the [Mercer Direct Member Guide](#) for more information.

- There are no current plans to expand Mercer Direct to enable the purchase of stocks directly on foreign securities exchanges. Mercer Direct does provide access to a range of ETFs listed on the ASX, which currently includes regional exposure ETFs such as Asia.

## 1.3. Investment Outlook

**1.3.1. Hello, can you please advise if Mercer considers that commercial and residential property and the share market are overvalued? Does Mercer consider that, if property and stocks assets are overvalued, is a significant market correction forecast predicted in 2026? Do Mercer see a confluence of conditions, such as high levels of company, sovereign and private debt, along with overvalued assets, triggering a 2008 type market correction? What would Mercer suggest as being an effective defensive position should market conditions deteriorate?**

**Response:**

- Mercer’s investment views are informed by ongoing investment research and market monitoring by investment teams in Australia and globally. We consider valuations and other indicators across shares and property (including commercial and residential), but we do not make binary “overvalued/undervalued” calls or try to time markets based on valuations alone. We do not make year-specific predictions (including for 2026), although we do monitor risks that can contribute to market stress such as debt levels, credit conditions, interest rates, inflation and economic growth. Portfolios are diversified and constructed to achieve our stated investment objective over long term horizons and to manage risk across different market environments, noting outcomes are uncertain and losses can occur.

**1.3.2. How resilient is the superannuation market and how prudent is it to invest one's superannuation conservatively in these financial and economic times?**

**Response:**

- The superannuation market has demonstrated resilience over the long term despite periods of short-term volatility. Investing conservatively can reduce portfolio volatility and potential losses but may also lower expected long-term returns. The prudence of conservative investing depends on individual time horizons, risk tolerance, and retirement goals. Mercer Super encourages members to select investment options aligned with their personal circumstances, objectives and needs. As a Mercer Super member, you can [book a limited advice appointment with a financial adviser](#), – covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**1.3.3. What provisions are in place to offset a crash in the market and take advantage of a falling market?**

**1.3.4. What are the expected risks and mitigations in place for the future global uncertainties?**

**1.3.5. Given the overall uncertainties in the market what is the strategy to minimize any loss in case there is a real crash ahead?**

**1.3.6. What stress scenarios are used (e.g., inflation shock, stagflation, equity crash + rising rates), and how did Mercer Super perform under those models?**

**1.3.7. In periods of market volatility, how does the fund manage risk while aiming to protect returns?**

**Response:**

- Mercer’s philosophy guides our response to market downturns. This investment philosophy is built on strategic asset allocation, the long-term mix of growth and defensive assets designed to meet each investment option’s long-term objective across a wide range of market conditions. Portfolios are diversified across asset classes, regions and investment styles, supported by strong governance, ongoing monitoring and risk budgeting to manage downside risk while targeting long-term outcomes. Diversification is the key risk management strategy that Mercer uses.
- Within this framework, Mercer maintains target allocations through disciplined rebalancing and may use dynamic asset allocation to make measured adjustments within agreed ranges, while in sharp market falls it emphasises diversification and defensive assets to help manage downside risk. Mercer conducts scenario analysis and stress testing using a range of adverse economic conditions, including inflation shocks, stagflation (low growth combined with high inflation), equity market crashes coupled with rising interest rates, and other systemic risks. These stress scenarios evaluate portfolio resilience and inform risk management decisions.
- If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser. As a Mercer Super Trust member, you have access to limited financial advice about your Mercer Super account at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**1.3.8. How will rising interest rates affect my super returns?**

**Response:**

- Rising interest rates can have mixed effects on superannuation returns depending on the composition of your investment portfolio. Generally, higher interest rates lead to lower bond prices, which can negatively impact fixed income investments. However, rising rates can also signal a strengthening economy, potentially benefiting equities and other growth assets over the long term. Mercer manages interest rate risk through diversified portfolios and dynamic asset allocation, adjusting exposure to fixed income and other asset classes as market conditions evolve. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser. As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no extra cost.

**1.3.9. Is the forecast 10 year growth position of super expected to be at a higher risk when overseas shares or investments are included in the portfolio versa local share or investment market?**

**Response:**

- Including overseas shares or investments in a superannuation portfolio generally introduces additional risks, return potential, and diversification benefits compared to investing solely in the local market. Overseas investments expose the portfolio to industries and opportunities that are not available in Australia. They also provide exposure to currency fluctuations, geopolitical risks, and different economic cycles, which can increase volatility but also provide growth opportunities and risk mitigation through diversification. Mercer's investment strategies, including the Mercer SmartPath glidepath and diversified international share options, are designed to balance these risks and returns over a long term horizon. Members are encouraged to consider their personal circumstances and risk tolerance and can use Mercer Super's [advice tools](#) to tailor their investment approach accordingly.

**1.3.10. Thoughts on the longer-term outlook over next 5 years. Should we be aggressive, conservative or neutral?****Response:**

- Mercer's longer-term outlook over the next 5 years acknowledges ongoing market uncertainties and evolving economic conditions. The appropriate investment stance -aggressive, conservative, or neutral - depends on individual circumstances including age, risk tolerance, investment horizon, and retirement goals. Mercer Super's SmartPath glidepath offers a tailored approach that gradually de-risks portfolios as members approach retirement, balancing growth and capital preservation. For those with longer time horizons and higher risk tolerance, a more aggressive stance may be suitable, while conservative approaches may better suit those nearing retirement or with lower risk appetite. Members are encouraged to use Mercer Super's [advice tools](#) and consult advisers to determine the optimal strategy aligned with their personal goals. As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no extra cost. You may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**1.3.11. What is the economic outlook for 2026 for Overseas Investments?****Response:**

- Mercer's 2026 outlook for overseas investments is framed around diversification across regions and asset classes, recognising that returns will vary by country depending on growth, inflation and interest-rate settings. Rather than making single-market predictions, Mercer focuses on building resilient portfolios and adjusting positioning through active management, where appropriate. For the latest specific views, refer to Mercer's most recent [Economic and Market Outlook 2026](#) and [Quarterly Investment Reports](#).

### 1.3.12. What are the expectations of returns for FY26?

#### Response:

- Mercer generally does not provide a single, explicit “expected return” for FY26, because outcomes depend on markets and the specific investment option/s you are invested in. Mercer instead considers scenario-based outlooks and focuses on diversification and risk management. Members can refer to the latest [Economic and Market Outlook 2026](#) and the relevant option’s [Performance Reports](#) for the most current expectations and context.

### 1.3.13. Returns seem to be low at the moment, do you see the economic outlook turning the corner?

#### Response:

- Short-term returns can be weak during periods of volatility, higher inflation or changing interest rates, and it is difficult to call the exact turning point. Mercer’s approach is to stay diversified and adjust positioning through risk management rather than to make short-term predictions. Portfolios are designed to be resilient through time and across different economic environments. For the latest views on economics and financial markets, refer to Mercer’s current [Economic and Market Outlook 2026](#) and [Quarterly Investment Reports](#).

### 1.3.14. What are the biggest risks and opportunities you see in the current market environment? How is Mercer positioning portfolios in response to inflation, interest rates, and global uncertainty? What does the current outlook mean for members with different time horizons (e.g. younger vs. nearing retirement)? Should members be reconsidering their investment option choices given the current outlook? How often should members review their super investments, and what should prompt a change? What are common mistakes members make during uncertain markets, and how can we avoid them?

#### Response:

- Some of the biggest risks in today’s markets are that inflation could stay higher than expected, interest rates could remain elevated for longer, and unexpected events such as geopolitical tensions could trigger sharp fluctuations in share and property values. Another risk is that markets can become overly reliant on a small number of large companies, which can make returns more uneven. At the same time, there are opportunities because higher interest rates can mean better returns from cash and some income focused investments than we have seen in recent years, and periods of volatility can create chances to buy quality assets at more reasonable prices. The most practical approach is to stay diversified and focused on long-term goals rather than trying to predict short-term market moves.
- Mercer is keeping portfolios well diversified and focused on resilience, balancing growth assets with more defensive investments, so members are not relying on any single market outcome. With inflation and interest rates still uncertain, Mercer is paying close attention to how much sensitivity portfolios have to rate moves and looking for reliable sources of income while avoiding unnecessary risk. In a world of ongoing global and geopolitical uncertainty, Mercer continues to review positioning regularly, maintain strong risk

controls and liquidity, and work closely with specialist investment managers to adjust exposures when conditions change, while staying anchored to members' long-term goals.

- In the current market environment, it is normal to see periods of ups and downs, so what matters most is the time until you need the money. If you are younger or have many years until retirement, short-term market swings are usually less important because you have more time for markets to recover, and staying diversified and focused on long-term growth can make sense. If you are closer to retirement, the same swings can have a bigger impact on your balance just when you may be planning to draw on it, so it can be worth checking that your investment option matches how much risk you're comfortable with as retirement approaches.
- We cannot say whether a change to your current investment choice is necessary without considering your personal circumstances. You should at least review your investment options if your personal circumstances change, but generally on a regular basis. Common reasons for reviewing may be any change to your retirement timeframes, your employment or financial situation, if there is legislative change, and also potentially when there are significant market movements. Whether these are reason to change is dependent on your personal situation. Your choices should continue to align with your financial goals. As a Mercer Super member, you have access to limited financial advice about your Mercer Super account at no extra cost. You may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information. If you want to change how your account is invested, you can do so by logging into your account and making an investment switch request. If you need more information on the available investment options, please refer to your [Investments Booklet](#).
- It is also important to remember that super is a long-term investment, and markets will move up and down over time. During periods of uncertainty in markets, members can make the mistake of making investment decisions driven by emotion. They may switch into more conservative options after markets have already fallen, which can lock in losses. Or they may try and time the market without considering long term objectives. Members should always ensure that their investment choices align with their long-term financial goals. Again, seeking financial advice is always recommended and Mercer Super has options members can utilise that consider their own personal objectives and situation.

## 1.4. Investment performance

- 1.4.1. **How is Mercer quantifying and managing current global market volatility across asset classes particularly in relation to interest rate movements, geopolitical risk, and currency fluctuations? Finally, what portfolio level strategies or tactical asset allocation adjustments are being implemented to enhance long term risk adjusted returns for members?**
- 1.4.2. **Where have you underperformed, and what did you learn from it? What decisions are made by humans vs models vs external managers? How dependent is our fund on big US tech companies? If they underperform moving forward, how will it affect our fund?**
- 1.4.3. **Which asset classes or decisions detracted most from performance over the last 3 and 5 years, and what specific changes have been made?**

**Response:**

- Mercer monitors portfolios through regular performance and risk reporting, including performance attribution, to understand what is driving outcomes and to strengthen oversight. Investment decisions are the output of the consistent execution of our investment process including strategic and dynamic asset allocation and risk management. External investment managers are appointed through a structured research and due-diligence process, then monitored on an ongoing basis, with portfolios rebalanced and adjusted as needed to keep them aligned to the investment objective and risk settings.
- The fund holds meaningful exposure to large US technology companies within its international share portfolios. While these companies have historically contributed to growth, underperformance in this sector can affect overall fund returns. Mercer mitigates this risk through diversification across sectors and geographies, active manager selection, and dynamic asset allocation to adjust exposures as market conditions evolve.
- Over the past 3 to 5 years, some asset classes and manager decisions have detracted from performance, including periods of volatility in certain equity sectors and fixed income challenges. In response, Mercer has made specific changes such as rebalancing asset allocations, replacing underperforming managers and enhancing risk controls.
- Members can review performance attribution and portfolio positioning in Mercer Super's [Quarterly Investment Reports](#) and [Annual Members' Meeting](#) updates. Mercer's integrated decision-making approach aims to balance human judgment, quantitative data and insights, and external manager expertise to optimise long-term outcomes.

**1.4.4. What are the main drivers for the drop in returns from 20% annualised FY 26 up to August 2025 and now 7.4% annualised (high growth/ 1954 dob/ international shares)?**

**Response:**

- Returns in Mercer Super's investment options reflect the performance of the underlying investments in those options. For a 1954 SmartPath/high growth international shares exposure, the biggest contributors are equity market moves, currency effects (AUD strengthening reduces unhedged international returns in AUD terms), and interest-rate/valuation changes that reprice stocks.

**1.4.5. You say double digits returns however there is no reflection of it on how it was achieved and what steps are in place to continue the sustenance. Lots of general statements without facts from the board and management?**

**Response:**

- Double-digit returns, when they occur, are typically driven by strong growth-asset markets (especially equities) and the fund's diversified exposure across asset classes, regions and managers, with returns reported net of fees and taxes in Mercer Super's Performance Reports. The drivers of performance are set out in the quarterly investment updates and performance reporting, which are available on the Mercer Super website [here](#). Our investment portfolios are designed to deliver the stated investment objectives over long term periods. However, the trustee cannot guarantee any specific return. The steps in place to manage risk and return are governance oversight, strategic asset allocation reviews, dynamic tilts within

ranges, manager monitoring/replacement when required, and ongoing risk and liquidity management - all documented in the [Investments Booklet](#), quarterly updates and annual reporting.

**1.4.6. What's the difference in the investment strategy between Mercer Super and Virgin Money Super that resulted in better returns from Virgin?**

**Response:**

- Mercer Super and Virgin Money Super can show different returns mainly because you may be comparing different options with different strategic asset allocations (growth vs defensive mix), implementation (e.g., currency hedging), exposure to unlisted/private markets, manager selection and fee structures. In recent times Virgin Money Super options have generally had higher exposure to listed shares and lower exposures to private markets than their Mercer Super counterparts, and this has led to the recent outperformance.

**1.4.7. What have been the key drivers of recent performance across the main investment options?**

**Response:**

- Recent performance across the main investment options has been driven largely by how different assets responded to changing inflation and interest-rate expectations, with growth options most influenced by share market moves (especially global equities, where shifts in technology and other large company valuations, earnings results and currency movements between the Australian dollar and overseas markets can materially affect returns). Defensive options have been shaped primarily by bond yields and credit spreads, because when interest rates rise bond prices generally fall (and vice versa), while income from running yield helps over time, and returns can also be affected by cash rates and any exposure to inflation-linked bonds. Diversified and lifecycle options have reflected the combined impact of their mix of growth and defensive assets, plus rebalancing and any dynamic tilts. Periods where equities rally tend to benefit higher-growth cohorts more, while more conservative cohorts are typically steadier but can lag in strong equity markets. Unlisted assets (such as property and infrastructure, where held) can also influence returns through valuation updates that may move differently and with a lag compared to listed markets.

## 1.5. Investment strategy

**1.5.1. Concerns about possible changes in legislation for AU gov to use percentages of private Super to fund costly building projects. Ways to safeguard as individuals but mostly assurances from Mercer how to safeguard and protect individual super funds from robbing.**

**Response:**

- Legislative changes regarding the use of private superannuation funds for government projects are determined by the Australian Government and regulators, beyond the trustee's control. Mercer maintains strong governance and diversified investment strategies to protect members' interests. The trustee is legally obligated to act in members' best financial interests and comply with its regulatory requirements. If you need advice as a Mercer Super member you [https://cloud.e.merceradvice.com/speak\\_to\\_an\\_adviser](https://cloud.e.merceradvice.com/speak_to_an_adviser) have access to limited financial advice about your Mercer Super account at no extra cost. You may also seek

comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**1.5.2. On Wednesday, 3 December 2025, RIAA launched a ground-breaking research report into 'Charting the Path...' I'm interested to understand how Mercer is considering the insights, and what steps it will take to show industry leadership regarding its recommendations?**

**Response:**

- Mercer is reviewing the insights outlined in the RIAA “Charting the Path” research report and considering how they may inform Mercer’s responsible investment approach where appropriate. Any potential enhancements or initiatives would be assessed through Mercer’s usual governance processes and in line with applicable objectives and policies.

**1.5.3. Is our super directly or indirectly being used to purchase residential real estate in Australia? If yes, does this include pre-existing homes? Will we start to see our super funds being utilised to build new power plants such as Gas, Coal and Nuclear across Australia to improve the base load power shortage?**

**Response:**

- Mercer Super generally does not invest directly in pre-existing Australian residential real estate. Instead, investments in property are made through listed and unlisted property vehicles. In limited instances, investments in these vehicles may invest in developing new housing. Regarding energy infrastructure, Mercer invests in projects including renewables and other energy assets through private markets and infrastructure asset classes.

**1.5.4. How to manage super through a currency crisis? What's the best way to optimise it for best gains in 10-20 years?**

**1.5.5. What is the current strategy for Mercer to manage the potential US Dollar reduction in value. Some platforms start diversifying into alternative currency such as Yuan and precious metal.**

**Response:**

- To manage super through currency volatility, Mercer uses diversification across global geographies and asset classes, employing currency hedging strategies where appropriate. Dynamic asset allocation allows portfolios to adjust to macroeconomic changes.

**1.5.6. How often do you change allocation in the super fund?**

**Response:**

- Mercer typically undertakes a strategic asset allocation review annually, informed by ongoing capital market assumptions and long-term objectives. In between formal reviews, we regularly monitor portfolio exposures and may adjust these if conditions warrant (for example, significant valuation dislocations or changes in risk, correlations, or liquidity).

- Separately, portfolios are rebalanced regularly in line with the fund’s rebalancing policy and defined thresholds to keep exposures broadly aligned with targets. Any implementation or changes are subject to governance and approvals, consistent with investment objectives and risk management guidelines.

**1.5.7. Can you talk about which managers Mercer uses in Real Assets and which products we are invested in? Also, interested in weighting relative to targets for the portfolio and consideration of mark-to-market pricing? Is now a good time to increase exposure to unlisted or listed assets?**

**Response:**

- Mercer invests in Real Assets across listed and unlisted markets including infrastructure, property, in Australia and overseas. Investments are managed by a selection of specialist external managers and our real assets team globally. These managers are chosen based on rigorous due diligence, track record, and alignment with Mercer’s investment philosophy. The portfolio’s weighting to Real Assets is managed relative to strategic asset allocation targets, with regular rebalancing to maintain alignment. Mercer applies mark-to-market pricing for listed assets, reflecting current market values, while unlisted assets are valued using independent appraisals and fair value methodologies in accordance with accounting standards.
- Mercer’s approach to Real Assets focuses on meeting long-term investment outcomes rather than short-term market timing. Any decision to increase exposure to listed or unlisted Real Assets is driven first by portfolio objectives and the strategic asset allocation. Portfolio construction then considers current market conditions, the available opportunity set, liquidity needs, and the risk profile of specific investments.
- Our investment managers are listed in our Annual Report (Fund Information Statement – Part 1) which can be found on our website [here](#).

**1.5.8. Has Mercer been moving the low to medium risk accounts into higher risk investments to build a higher return, and do these members know that their risk has been increased, and did they approve the change if it was made?**

**Response:**

- Mercer manages investment risk levels in accordance with members’ selected investment options and personal circumstances. For default options like Mercer Super’s SmartPath investment option, the glidepath gradually adjusts risk exposure over time, typically reducing risk as members approach retirement. Mercer Super does not move members from low or medium risk options into higher risk investments without explicit member consent. Members are encouraged to review their investment choices regularly and use Mercer Super’s advice tools, including e-Advice and personalised financial advice at no extra cost, to select appropriate strategies aligned with their risk tolerance and retirement goals.

**1.5.9. I’m over 50 and becoming more concerned about market volatility and how it could affect my super balance as I approach retirement. My questions are: What strategies have been put in place to manage downside risk in general, and for members heading into retirement phase? What options are available within Mercer to help protect our balances during periods of market instability?**

**Response:**

- Mercer employs several strategies to manage downside risk, especially for members approaching retirement. The Mercer Super SmartPath investment option glidepath gradually reduces exposure to growth assets and increases defensive assets as members age, aiming to protect balances from market volatility. Additionally, Mercer Super offers retirement income products designed to provide stable income streams and capital preservation during retirement. Members can also access Mercer Super’s advice tools, including e-Advice and personalised financial advice at no extra cost, to select appropriate strategies aligned with their risk tolerance and retirement goals.

**1.5.10. Do you use AI in making investment decisions (Buying or Selling Stocks)?****Response:**

- Mercer’s investment process combines internal research and governance with strategic and dynamic asset allocation, together with the selection and ongoing oversight of third-party investment managers. Individual stock buy/sell decisions are primarily made by those external managers, some of whom may use AI or other advanced quantitative tools in their research and trading. Mercer does not rely on AI alone for investment decisions and practices robust governance, controls, and risk management around any model-driven techniques.

**1.5.11. How is the accelerated availability of AI technology affecting Mercer's share portfolio trading? And what level of take-up is Mercer adopting? Has Mercer a technical team assessing the advantages of a rapid take-up? Does the assessment include running parallel AI assisted trading scenarios? What is holding Mercer back from a more rapid deployment? Is it cost of computing, cost of data, lack of know-how or staff reticence. What level of staffing cutbacks does Mercer foresee within 12 months and within 2 years? If a rapid take-up of AI tools is not supported, why should customers keep their savings under the Mercer umbrella?**

**Response:**

- While Mercer recognises the transformative potential of AI, we currently do not have a dedicated technical team specifically assessing rapid AI-assisted trading adoption or running parallel AI trading scenarios. Factors potentially moderating rapid AI deployment include considerations around computing and data costs, the need for specialised expertise, operational risk management, and organisational readiness. Mercer does not publicly disclose any anticipated staffing changes related to AI adoption within 12 months or 2 years. Despite a measured pace in AI tool integration, Mercer’s commitment to diversified, actively managed portfolios and robust governance provides members with confidence in the long-term stewardship of their savings.

**1.5.12. How is the fund positioned (active/DAA weights v Strategic Asset Allocation)? What is the rationale for the current asset allocation positioning?**

**Response:**

- Portfolios are anchored to a strategic asset allocation that sets long-term target exposures consistent with member objectives, risk tolerance, liquidity needs, and expected long-run returns. Around this, Mercer may implement dynamic asset allocation tilts within defined ranges to adjust exposures as market conditions evolve, with the intent of improving risk-adjusted outcomes rather than relying on short-term market timing.
- Dynamic asset allocation positioning is typically informed by a combination of valuations, macro and earnings outlook, overall portfolio risk and implementation costs.
- Our current positioning is set out in our [Quarterly investment Reports](#) located on our website.

## 2. Product

### 2.1. Contributions

**2.1.1. Ways to contribute to super & will it be taxed? If so, how much is taxed?**

**2.1.2. I am living and working overseas and was wondering if I can still send money to my Super from overseas bank?**

**2.1.3. I'm currently living and working overseas but would love to contribute to my Super. How do I go about doing this and what variables should I consider and be aware of in relation to regulatory concerns such as tax?**

**2.1.4. I am 72. I no longer contribute to my Super. I am about to sell a property. Can I put some of the \$ proceeds into my Super? What is the limit?**

**2.1.5. If you make contributions to Super (non-concessional contributions) from your earnings/ capital gains from the share market, would it be treated as a post tax contribution? What are the tax consequences of such contribution?**

**2.1.6. Super contributions - how to save tax on capital gains income.**

**2.1.7. If I transfer extra money into super account, how much tax (percentage) will be paid upon the transferred fund? How much should I have in my super account to support my retired life after retirement age?**

**2.1.8. Can I still invest money into my super after reaching 67 years of age? My super is invested for interest generating from current cash amount but the interest generated varies each month. I would be happy to know how the interest is generated.**

**Response:**

- You can find all the details on contribution types and taxes on our [website](#). Pre-tax contributions, called 'concessional contributions,' are usually taxed at 15%. Other taxes might apply. These rates are set by law and are generally lower than your regular income tax. For more information, visit our [website](#) or the ATO's [website](#).
- Yes, if you're overseas you can still make after-tax contributions. To pay by BPAY®, log into your online account, head to your profile, and select 'My details' to find your BPAY® info. You'll also find these details in

your welcome correspondence. To pay by cheque, please complete and return the '[Making an after-tax contribution](#)' form to us.

- If you are selling a property, you may be eligible to contribute some of the proceeds to your super, provided you meet the eligibility requirements. For more information head to our [website](#), or to the ATO's [website](#).
- Please refer to our [website](#) or the [ATO's website](#) for more information on contribution eligibility and tax implications.
- The amount you need in retirement depends on the lifestyle you wish to lead. You can estimate how much you may need using our [Retirement Income Simulator](#).
- Yes, you can make both concessional (pre-tax, like salary sacrifice or employer contributions) and non-concessional (after-tax, from your own money) contributions at 67. Rules change once you turn 75. For more information please refer to our [website](#) or the [ATO's website](#). Regarding your question on the Cash option returns, returns can vary, including for the Cash option. The Mercer Cash option mainly invests in cash, meaning it avoids growth assets like shares or property that can rise in value, but carry more risk. It is for members who want very low risk over a year or less. The objective is to aim for a return slightly above the standard bank bill rate, measured by the Bloomberg AusBond Bank Bill Index each year.
- If you need any help with making decisions based on your specific circumstances, you can always take advantage of Mercer Super's [advice options](#).

**2.1.9. When does Mercer provide its members' contributions data?**

**2.1.10. Why is the ATO website not updated with Concessional and Non-concessional data within a reasonable timeframe (eg.120 days), post end of financial year?**

**Response:**

- Mercer Super sends your contribution details to the ATO regularly – usually within 10 business days after your contribution is added to your account. We cannot say how long the ATO takes to update this information in your MyGov account. For more information, please contact the ATO on 13 10 20.

**2.1.11. How can we regulate that the funds are credited by the employer?**

**Response:**

- Assuming you're referring to the Super Guarantee (**SG**) contributions made by your employer, you can check by logging into your account at [mercersuper.com.au/login](https://mercersuper.com.au/login) or by using the new Mercer Super App. Once logged in, head to the 'Recent transactions' section. It is worth noting that from 1 July 2026 the Federal Government is introducing new Payday Super legislation that requires employers to pay their superannuation obligations at the same time as wages. Currently the requirement is to pay quarterly.

## 2.2. Fees

**2.2.1. How are you keeping your fees competitive with industry funds?**

**2.2.2. How will you lower member fees to improve returns?**

**Response:**

- We discussed our fee arrangements during the AMM. You can watch the recording and access the minutes of the meeting on our [website](#). Mercer Super is committed to providing value to our members, and that includes regularly reviewing our fee structure, as we know that fees can impact your overall retirement savings. We monitor the market closely and benchmark our fees against other super funds to ensure you have more savings to rely on when you stop working.

**2.2.3. What is the actual annual fee charged for a default super account for a \$50,000 balance? There is no transparent calculation or deduction showing this in my super.**

**2.2.4. Total fees as a percentage [all in] when compared to similar funds?**

**2.2.5. Are there any additional costs (transaction /buy-sell) or taxes when the investment choice is changed from say 'Growth' to 'Cash'?**

**2.2.6. What are the total annual fees as a percentage of funds under management (administration, investment, performance fees), and how do they compare to the industry average?**

**2.2.7. What are some ways you can tell if the management fees one is paying on their super fund aren't outstripping the performance of the fund?**

**Response:**

- Please refer to the PDS for your specific Mercer Super account. Each PDS contains a worked example of the fees payable on a \$50,000 balance.
- You can compare our fees, as well as investment returns, insurance and member services with over 200 other funds through AppleCheck. This is a free comparison tool managed by research firm Chant West. You can access it on our [website](#).
- Mercer Super does not generally charge a buy sell spread and does not charge switching fees.
- Fees are not dependent on or related to the total funds under management of Mercer Super. You can compare fees against other funds using AppleCheck, available on our [website](#).

**2.2.8. What are the regulations that have impacted fees?**

**2.2.9. Why are fees increased and insurance premiums increased?**

**2.2.10. The fee increase is much higher for those who have \$1m or more. Why are you low-balling the cost by quoting cost for very low balances of \$50k and \$100k?**

**2.2.11. If fees are increased why are salaries increased of executives and management? Makes no sense.**

**2.2.12. Please detail why other admin costs are increasing by 15 times? Will Director fees, CEO remuneration, and Senior Exec remuneration be increased 15 times this year? I cannot support this fee increase as returns for 2025 were 12% and over 10 years 9% compared to the admin increase of 1500%. I hold units in Aware Super but nowhere is it explained how Aware Super is managed by Mercer Super. Why?**

**Response:**

- Mercer Super will incur additional costs to comply with legislative changes such as Payday Super, to deliver strategic projects, and to cover operational expenses, ensuring sustainable operations for members' benefit. Funds are also needed to strengthen operational risk and cybersecurity frameworks.
- If you were unable to attend the AMM, our Mercer Super CEO Claire Ross discussed the recent fee increase and the reasons for it. You can watch the recording on our [website](#) and access the minutes of the meeting. The fee increase is not linked to any change to Director or Executive remuneration. Any increase in remuneration would be reflective of market conditions and expanded responsibilities. Remuneration is generally reviewed against industry benchmarks.
- In regard to premiums, these vary by product. Mercer Super always seeks to work with our insurers to obtain the lowest possible and sustainable insurance premiums. For many of our members, premiums have actually reduced in recent years. However, in some cases, premiums have increased due to claims experience and costs. You can contact our Helpline if you need assistance reviewing your insurance, or utilise the Insurance needs calculator on our [website](#).
- In relation to the balances used to demonstrate the fee increase, \$50,000 is the balance used within PDS's to outline all fees and costs within the product. In addition, as at 30 June 2025 the average balance for members within Mercer Super was around \$100,000. So this is representative of the average balance within the fund.
- Aware Super is not managed by Mercer Super or Mercer Australia. Mercer Outsourcing (Australia) Limited previously provided some administration services to Aware Super, but this is no longer the case.

**2.2.13. What is the cost of running your business and managing all our super funds? Specifically, what percentage, per dollar, of our super contributions is deducted from the revenue to yield the final profit (per dollar) that is then accrued into the member's superannuation?**

**Response:**

- There is information on expenditure for the 2025 financial year that you can refer to in the AMM notice you received. A copy of the notice is available on our [website](#). The fees paid by members vary depending on the product you are in and the investment options you choose. These fees are outlined in the PDS specific to your product. PDS's can be accessed [here](#).

## 2.3. Insurance

- 2.3.1. I'd like a good understanding of Insurance options.
- 2.3.2. Life insurance under superannuation.
- 2.3.3. Does the superannuation plan include insurance that covers medical emergencies?
- 2.3.4. Is my insurance appropriate or am I overpaying for cover?
- 2.3.5. Can I change the insurance payout amount on my policy?
- 2.3.6. For life insurance is there a copy of the policy or any limitations/exclusions - I think it is very expensive and would like to understand if it is worth it.

**Response:**

- The Insurance options available and what that insurance covers you for can differ depending on the specific cover you hold. We recommend first referring to the relevant PDS and Insurance Booklet for your Plan which is available on our [website](#). You can also contact our Helpline to get more information on what Insurance options are available to you.
- In terms of whether your insurance is appropriate for you, that depends on your individual needs. We suggest in the first instance going to the Insurance page on our [website](#). You will find lots of helpful information on the types of insurance offered, as well as an Insurance needs calculator. You can also call our Helpline if you need further assistance. Information on our advice options are also available on our website [here](#).
- You can potentially change the amount you are insured for depending on your policy. For further information please read the relevant PDS or Insurance Booklet, visit our [Insurance page](#) or call our Helpline for further assistance.
- Please refer to the PDS and Insurance Booklet for your Plan for information on limitations and exclusions, as well as the cost of cover. Alternatively, please call our Helpline if you would like more information.

**2.3.7. May we explore the possibility of having whole life insurance paid from super funds, and having our will stored with and executed by Mercer Super?**

**Response:**

- Mercer Super does not offer these options as a service to members.

**2.3.8. My life, TPD and income protection insurance policies are with TAL so I am interested in your claim to payment ratios and any other insights regarding insurances as we evaluate our policy portfolio which obviously gets more expensive as we get older.**

**Response:**

- While we do not disclose claims to payment ratios, we can say the trustee regularly benchmarks these metrics to ensure that members' best financial interests are being served. There is more information on Mercer Super's insurance offerings on our [website](#) This includes an insurance needs calculator, which can take into account your circumstances to provide you with an idea of the level of cover you may need. You may also wish to speak to a financial adviser. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.3.9. Changes to insurance (Significant Event Notice on 1/11/25) and how insurance costs benchmark.  
2.3.10. How are my insurance premiums calculated?**

**Response:**

- If you need further information on the insurance changes as they relate to your account please contact our Helpline. In terms of premium benchmarking, the trustee assesses insurance premiums as part of the Annual Outcomes Assessments which can be found on our [website](#).

- Generally, insurance premiums are calculated according to the amount of cover (sum insured), your age (generally increases as you get older), and your gender. For some members, premiums are also impacted by their occupation classification (white collar is generally lower premiums than blue collar). We recommend calling our Helpline, and we can help you understand the premiums on your individual account.

**2.3.11. Concern on the double charges from life insurance (premiums & cost). Also disappointed with existing investment performance, seemed below the market.**

**Response:**

- We recommend calling our Helpline so we can review your individual account and assist you with the cost of the insurance you hold.
- In terms of investment returns, we covered performance in the AMM. You can watch a recording of the meeting on our [website](#), as well as find a copy of the meeting minutes. You can also compare our returns against competitors using AppleCheck. This is a free comparison tool managed by research firm Chant West. It lets you compare our investment returns, fees, insurance offer and member services with over 200 other funds. You can access AppleCheck on our [website](#).

## 2.4. Pensions

**2.4.1. Does Mercer have Annuities for retirees?**

**Response:**

- No, Mercer Super does not offer annuity-based pension products with guaranteed income streams. You can find information on our retirement-based products on our website. We also encourage you to speak to a financial adviser before making any decisions. As a Mercer Super member you can book an appointment with a financial adviser – they can discuss your Mercer Super account with you at no extra cost. You may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.4.2. I have recently retired, how can I make the most of my pension account?**

**Response:**

- How to get the most out of your super in retirement can depend on your individual circumstances and goals. Before making any changes, we would recommend seeking financial advice. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.4.3. Are you able to draw out all your super when it's in pension phase?**

**Response:**

- If you have met a [condition of release](#) (such as reaching age 65) then you are able to withdraw your super from a standard account-based pension product.

**2.4.4. Once you have a mercer pension account can you still keep a superannuation account to add funds and then merge the Super Account and pension account at a later date?**

**Response:**

- Yes, you can still have a super account along with a pension account. However, if you wanted to add your super account balance to your pension balance in the future, you would need to combine both accounts into a new pension account. Combining your super can be a significant financial decision. If you decide to combine all or part of your other super account(s), carefully consider how this may have an impact on your existing insurance, contribution and tax arrangements, fees or charges, or any other benefits you may lose. Before making any changes, we would recommend seeking financial advice. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.4.5. Does one earn dividends on your investments in the pension fund? In other words, will a once off unit number be added to your investments every year?**

**Response:**

- No, dividends are not paid in the form of additional units. The unit price that applies to the investment option(s) you have chosen will rise or fall depending on the performance of that particular investment option.

**2.4.6. Is there a way to set up part amount from a pension account to a beneficiary account for a minor? Who eventually can access the funds for higher education or future business investment?**

**Response:**

- No, the pension payment can only be paid to the owner of that super account, and not to a third party.

**2.4.7. When and how to use my Mercer Super as a regular pension as will?**

**Response:**

- Assuming your question is when is the appropriate time to begin a pension, our [website](#) has a lot of useful information. However, when exactly the right time to start a pension depends on your individual circumstances. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

## 2.5. Retirement

- 2.5.1. I have now stopped working and am on age pension. What's the best option for me now in regard to my super? I have heard about withdrawing and redepositing my super; is this a good option? I believe that the benefit of doing this is that should something happens to me, my beneficiary can access my super tax free.
- 2.5.2. Using transition to retirement pension while still employed to utilise non-concessional to re-contribute and avoid the hidden death tax. Also, switching to pension phase and switching back to accumulation phase.
- 2.5.3. How to access your funds/finances from Mercer Super on retirement and taxation issues. Is there a way to add/withdraw funds after 65 years of age and avoid taxation?
- 2.5.4. Tax Implications for Superannuation Retirees - options to minimise.
- 2.5.5. How much tax is deducted? Does the government have any tax concessions for members over 55 years of age?
- 2.5.6. Tax incentive plans.
- 2.5.7. How do we make sure our families could take the most out of our super when we are not around anymore? What mistakes could cause them paying unnecessary fees and taxes to the government?
- 2.5.8. Please explain how tax office calculate your tax once you passed. After 67 years old if I take all fund cash out how much tax it will pay how it's working?
- 2.5.9. Is there any likelihood in the foreseeable future that the ATO will change the current exception to tax for the pension phase to include the 15% tax that super has during the accumulation phase? What is the best strategy for minimizing tax when super either in accumulation or pension phase is passed on to adult siblings that are not dependents upon your death?
- 2.5.10. On withdraw after 60 what are the tax implications?
- 2.5.11. Tax implications for non-dependent children with regard to inheritance.

### Response:

- We cannot comment on the best option for you, or whether a re-contribution strategy would be appropriate. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- For information on the tax payable when you withdraw your super, there is a fact sheet available on our website. You can also find more information on the ATO's website.
- For more information on Transition to Retirement strategies, you can refer to the answer Kelly Shay, our Head of Retention and Retirement, provided in the AMM. In addition, there is more information on our website. You can also transfer your pension account back into a super account if you choose. If you have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser. As far as we are aware there is no proposal to broadly introduce the 15% tax on earnings to apply to all pension earnings. However, depending on your balance you may be impacted by current rules as they relate to the Transfer Balance Cap of \$2 million (for the 2025/26 financial year). There

is also proposed legislation that would apply an additional 15% tax on earnings attributable to balances over \$3 million, even if they are earnings in the retirement phase. This legislation is not yet finalised or implemented. You can find out more about the Transfer Balance Cap on the [ATO website](#).

**2.5.12. How does pension work? How much do we need to put into pension? How much do we need to retire?**

**2.5.13. Strategy to best manage Mercer Super together with own SMSF at retirement.**

**2.5.14. To hit your specific preservation age and meet a condition (like retiring) to access super before 65; what preparation is required beforehand? Does one have to contact / meet your expert super consultant a year in advance before deciding to retire at 60?**

**Response:**

- You can find a lot of helpful retirement-based information on our [website](#), including the retirement options available to Mercer Super members, the Retirement Income Simulator which can estimate how much you may need in retirement, as well as other advice and support tools.
- If you have both a Mercer Super account and your own SMSF, and have questions or need information specific to your own circumstances and investments, we recommend you speak to a financial adviser before making a decision. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- The rules around when you can access your super are on the [ATO's website here](#). In regard to meeting with one of our advisers, as a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.5.15. What can be done to improve returns on retired people's superannuation? All the advertising is about people still working and contributing but not much discussion about retired people's fund returns.**

**2.5.16. Interested in how well super is lasting through retirement. Are retirees with above target balances (eg balances above the nominal target at retirement age) spending their super through retirement? What are you seeing is the % of at retirement super people have left at death?**

**2.5.17. Is it wise to move to a more conservative investment strategy at present - 5 years out from retirement?**

**Response:**

- In the AMM, Graeme Miller, Mercer Super's Chief Investment Officer, provided an update on returns for the Mercer SmartRetirement product. You can watch a recording of the meeting on our [website](#), as well as find a copy of the meeting minutes. Members within Mercer SmartRetirement have access to a range of investment options in retirement.
- Evidence shows that most retirees do not run out of super. Research from the Retirement Income Review and the Actuaries Institute indicates that retirees tend to draw down at or near the minimum rates, with

the Age Pension providing a safety net. Spending tends to be higher in the early years of retirement and then reduces over time.

- The right strategy in retirement depends on your individual circumstances. We recommend accessing one of [Mercer Super's advice offerings](#). With the exception of advice that goes beyond your Mercer Super account, all the advice we offer is at no extra cost to you. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**2.5.18. If I were retiring in 5 years, what is the biggest risk to my retirement outcome that is not well understood by most members and what is the fund doing about it? What withdrawal rate does the fund consider sustainable for retirees under adverse market conditions? How does the fund explicitly manage sequence-of-returns risk for members approaching retirement? For members starting a phased retirement, how does Mercer explicitly manage sequence-of-returns risk when withdrawals begin before full retirement? As Mercer's funds under management grow, how are economies of scale passed back to members? For a Mercer member looking at retiring within five years, what is the biggest risk to their retirement outcome, market, inflation, or sequencing and what is Mercer doing today to reduce it?**

**Response:**

- The biggest risk in retirement is potentially not having enough to fund the lifestyle you wish to lead. Mercer Super provides many tools which members can use to help grow their super, and make the right decisions based on their personal goals to get the best possible retirement outcome.

Our website has tools designed to help educate members on [strategies to boost their super](#), [calculators](#) to help determine how much a member may need in retirement, [webinars](#) you can access, as well as information on the types of [financial advice services we offer](#).

We've also introduced the [Retirement Bonus](#). If you've been with Mercer Super for more than a year, you may be eligible for a one-time payment when you open a Mercer SmartRetirement Income account and meet the eligibility criteria. You should consider the PDS available at [mercersuper.com.au](#). The Target Market Determination can be found at [mercersuper.com.au/tmd](#).

The right strategy for retirement depends on a number of factors and your own personal goals, so we encourage members to utilise our advice services so we can assist with ensuring you get the best possible outcome. Mercer Super's [Retirement Income Strategy](#) has more information.

- The right withdrawal rate depends on your personal circumstances, so it would not be appropriate to suggest what the optimal strategy is for all members. There are many different factors to be considered. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- In terms of sequence of returns risk, or the risk of experiencing poor investment returns just before or in early retirement, funds can manage this risk in a number of ways. At Mercer Super, members have access to the LifeStage investment option – SmartPath. SmartPath is designed to gradually reduce exposure to growth assets as you near retirement and is designed for members who want to take a simple, hands-off approach

to investing. Alternatively, Mercer Super offers a range of investment options including more conservative investment options for those members who want to minimise risk in retirement. Seeking financial advice is recommended in order to ensure you have the right investment strategy and draw down strategy for your own personal goals.

- The trustee remains committed to offering and managing products and investment options that enhance member outcomes and foster growth, allowing the advantages of increased scale to be shared with members through competitive fee arrangements, and continued investment in technology, governance and member services.
- Market volatility, inflation and sequencing are all key risks to someone approaching retirement. The biggest risk though depends on an individual's investment choice, timeframe and their withdrawal strategy. So it is not really possible to call one out as the key risk. Mercer Super looks to help members manage risks in a number of ways. These include the availability of a LifeStage investment option, the availability of a broad range of diversified investment options, the retirement solutions and tools Mercer Super has available, as well as our broad and extensive investment capabilities including global research capabilities and ongoing monitoring of market conditions. As always, we recommend members approaching retirement make use of our advice options to ensure their retirement plans meet their individual goals and needs.

**2.5.19. Are there any innovations planned for retirement products e.g. annuity, withdraw pension from a particular investment type without touching another etc.?**

**Response:**

- The most recent enhancement to our Mercer SmartRetirement Income product was the introduction of the [Retirement Bonus](#). If you've been with Mercer Super for more than a year, you may be eligible for a one-time payment when you open a Mercer SmartRetirement Income account and meet the eligibility criteria. You should consider the PDS available at [mercersuper.com.au](http://mercersuper.com.au) before acquiring the product or otherwise acting on this information. The Target Market Determination can be found at [mercersuper.com.au/tmd](http://mercersuper.com.au/tmd)

While there are not any other specific enhancements we can detail now, you can read about our ongoing commitment to improving our retirement offerings in our [Retirement Income Strategy](#).

## 3. Other

### 3.1. General

- 3.1.1. I'm permanently in the UK and would like to consolidate my pension with one in the UK as I'm not returning to Australia. I'm British but lived / worked in Australia for 6 years on an indefinite leave to remain and contributed to a pension plan with you.**
- 3.1.2. I am now abroad and live in Italy. I would like information on how to collect my super.**
- 3.1.3. I would like to know at what age I can access my superannuation. If I live overseas, can I withdraw a large amount in one go?**
- 3.1.4. My question is I am not an Australian permanent resident. If I finish work with my company could I claim my super in Mercer?**

- 3.1.5. How could I claim my super as I am not Australia residence?**
- 3.1.6. If you retire earlier and leave the country for good before your retirement age, could you withdraw your super? Could I invest part of my super to fund a deposit for an investment property?**
- 3.1.7. Yes, I live overseas and am on disability, can I get my pension?**
- 3.1.8. I've a similar balance in my UK pension. Are they best kept separate for tax purposes? Where could I get advice on having pension schemes in both Australia and the UK?**
- 3.1.9. Can I bring over my super from overseas into my Mercer super? My Dutch super fund can only transfer super to another super fund, not to the individual itself, so if Mercer accepts overseas super, I would like to bring this into my Mercer super fund to have a single fund for all my supers.**
- 3.1.10. If the support function assists Australians consolidating their Super when moving home from other countries - e.g. UK (where there is a Self-Invested Pension Plan).**
- 3.1.11. I am 62 plus and will be 63 in October this year. I am planning to move to my motherland very soon. How do I access super to purchase a property there?**
- 3.1.12. Yes please, I have a Kiwi Saver in NZ. I'm just checking if you can transfer this into my super please?**

**Response:**

- Whether you can withdraw your super while overseas depends on whether you have met a condition of release, such as reaching age 60. If not, there is a limited option to withdraw your super if you were a temporary resident leaving Australia. More information can be found on the [ATO's website](#), including information on the tax payable. Unfortunately, other than transferring to a New Zealand KiwiSaver Scheme, your super balance cannot be transferred to an overseas arrangement.
- If you are living overseas and have a disability, you will need to have satisfied a [condition of release](#) to access your super. As we are unsure of your personal circumstances and whether you have any insurance attached to your account, we recommend contacting our Helpline for assistance.
- In terms of keeping Australian super and a UK pension separate, the two accounts are unable to be combined. If you need advice as a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- Dutch super accounts cannot be transferred into your Mercer Super account.
- KiwiSaver accounts cannot be transferred into your Mercer Super account.

**3.1.13. Can I use my super to buy an investment property and how much percentage?**

**3.1.14. Could I invest part of my super to fund a deposit for an investment property?**

**3.1.15. Could we use super for investing in a house - what are pros and cons for a mid-35 year old? Any easy way to know how to use super in the most beneficial way - like a document or something of that kind.**

**3.1.16. Buying property.**

**3.1.17. Is there any way I can use money from my super to pay off my loans/ personal debts or toward buying an investment property / or new house?**

**3.1.18. Can I pay off my mortgage with my super?**

**3.1.19. Will be good to know if there is a way to service a home loan with super?**

**Response:**

- Super may be used to invest in property through a Self-Managed Super Fund (**SMSF**). As Mercer Super does not offer a SMSF service, we would recommend discussing any SMSF and tax implications around property investment and sales within an SMSF with your accountant and/or financial adviser.
- You can use super to invest in property via the First Home Super Saver (**FHSS**) Scheme for your own home. However, there a number of rules, including requiring the property to be solely for retirement benefits, not lived in by you or family, and all transactions at arm's length. You can take advantage of the [FHSS Scheme](#) via your Mercer Super account.
- The FHSS scheme allows you to make personal voluntary contributions into your super fund to help you save for your first home. You can find further information on our [website](#).
- If you want to invest your superannuation directly into property, there are investment options available on the investment menu that include investments in various types of property, both domestically and internationally. These are outlined in the Investments Booklet specific to your plan, available on our website [here](#). You should always seek financial advice about what investment works best for you.
- You would only be able to use your super for personal debt if you satisfied a condition of release, such as reaching retirement age, or under Financial Hardship grounds. Further information on when you can withdraw your super can be found on the [ATO's website](#).
- How to use your super in the most beneficial way, depends on your personal circumstances and goals. We recommend you speak to an adviser. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**3.1.20. How quickly can a fund's holding be changed when unexpected occurrences happen which affect the market?**

**3.1.21. Why does it take 2 days+ to change investments when we change our investment portfolios online? Why is it not reflective of the Market Changes when the investments are changed electronically online? Is the Mercer Cash rate Percentage the same percentage equivalent to that of the Reserve Bank of Australia rate or is it a higher or lower figure? I.e. 3.6%.**

**3.1.22. Details of how long it takes to transact/process rebalancing and also details of the specific indexes being tracked so I can estimate what prices I will get.**

**3.1.23. Because I'm approaching retirement soon, I check my super balance daily. Note: I'm invested in the smart path 1964/1968. Most of the time the balance is updated every day at around 7.30pm based on market movements. But on some occasions, it doesn't update until the following day, why is this happening? Have they forgotten to add the daily crediting to my balance?**

**3.1.24. On the website, say on a working day Wednesday, is the latest update figure of our balance for Tuesday's closing day?**

**3.1.25. What is the process used to value superannuation when it is invested in shares?**

**3.1.26. Mercer's website shows only the estimated amount in my super account. How do I find out the exact amount if I want to roll over all my superfund into Pension Fund after I retire?**

**Response:**

- When you change investment options, we process your transaction using the unit price for the day we receive your valid and complete request. The unit price is simply the daily value of one unit in an investment option, which is confirmed after we've calculated the value of the underlying assets. This is why a 2-business day processing timeframe is normal practice across the industry. You can read more about unit pricing and processing timeframes in the PDS available on our website.
- This process ensures all members are treated fairly. If switches were processed immediately, it would allow members to take advantage of market movements or timing differences between markets, known as arbitrage. That can disadvantage other members. Effectively allowing an immediate switch would allow members to "time the market". Using a standard timeframe ensures switches are applied fairly and consistently.
- The Mercer Cash option mainly invests in cash, meaning it avoids growth assets like shares or property that can rise in value but carry more risk. It is for members who want very low risk over a year or less. It aims for a return slightly above the standard bank bill rate, measured by the Bloomberg AusBond Bank Bill Index each year.
- If you refer to the relevant Investments Booklet for your account, it details the investment objective for each investment option. The objectives can be stated in terms of a particular named index, or a target that relates to the Consumer Price Index (CPI).
- Unit prices are generally calculated for each Melbourne business day and will generally be available on the website between 7pm and 8pm on the Melbourne business day following the effective date of the unit price. Please note that unit prices are not calculated for weekends or Melbourne public holidays. There may sometimes be a delay in calculating the unit price due to additional work needed to finalise it.
- You are allocated a number of units, which represent the assets of each investment option. The assets of each investment option are divided into units of equal value. Each unit has a price allocated to it that changes each Melbourne business day. The unit price of a whole unit (one unit) reflects the asset value of the investment option divided by the number of units on issue for that investment option at the time. We recommend referring to the relevant [PDS or Investments Booklet](#) for more information.
- The value of your account shown on the website is the actual benefit based on the latest unit price available.

**3.1.27. What happens to your Super, or what should you be aware of if you are not working for a period of time? For example, 12+ months.**

**3.1.28. I was made redundant last November 2025, and there have been no superannuation contributions since then. What effect will this have on my funds? The administration fee is continuing; what will happen?**

**3.1.29. How can admin fees be reduced on a dormant portfolio?**

**Response:**

- If there are no contributions into your account, this does not necessarily mean your super will decrease. Your balance is still invested and is subject to investment returns. These may be positive or negative. It would depend on whether any fees deducted are offset by investment returns. If you would like further information about your account, please call our Helpline.

- The Administration fee you pay is dependent on your particular plan and investment options. Please refer to the relevant [PDS](#) for more information on the fees you pay.

### **3.1.30. How to change a beneficiary?**

#### **3.1.31. What is the age for children to be added as a beneficiary?**

##### **Response:**

- Information on nominating beneficiaries, who you can nominate, and how to do so can be found on our [website](#).
- A child of any age can be a beneficiary. However, if they're under the age of 18 the benefit would likely be paid to the child's legal guardian or via a trust on their behalf.

#### **3.1.32. Where does Mercer sit regarding best performing Super funds in Australia and where does Mercer sit regarding fund costs compared to other funds?**

#### **3.1.33. What is the performance and fees charged by Mercer compared to other super funds?**

#### **3.1.34. Growth and performance compared to other competitors?**

#### **3.1.35. What recent changes or developments should members be most aware of, and how do they improve outcomes for us? Are there any upcoming changes to the fund's structure, fees, or investment options? How does the fund differentiate itself from comparable super funds right now?**

##### **Response:**

- From our website, you can access [AppleCheck](#), a free comparison tool managed by research firm Chant West. It lets you compare our investment returns, fees, insurance offer and member services with over 200 other funds. The ATO's YourSuper comparison tool also helps you compare super funds based on their performance. You can access a personalised version or a non-personalised version of the tool. The advantage of using the personalised version via myGov is that it shows you what your existing super accounts are, and you can compare those with others in the tool. The information is based on data reported regularly by funds to the superannuation regulator, APRA. The non-personalised version can be accessed [here](#).
- Here is what's new in Mercer Super. We've recently launched a new member portal and mobile app, which were highlighted at the AMM. We also said that later this year many members will be able to start an insurance claim online through a secure portal – so there is no waiting for paper forms or office hours. In the meeting, Claire Ross, Mercer Super CEO, and Jim Minto, Chair of the Mercer Super Board, covered our focus on advice offerings and better member education technology, including on-demand webinars. You can watch the recording on our [website](#) and access the minutes of the meeting. We are also simplifying some products, which means some members will move into Mercer Business Super – making it easier to find key information and manage your super – and we have already sent communications to the members affected. Fee changes were also discussed in the meeting, along with the benefits of being with Mercer Super, part of the larger Marsh family, including access to global resources like specialist investment teams, advanced technology, and cybersecurity expertise – all helping deliver better outcomes for members.

**3.1.36. What keeps me awake at night is not your investment performance, which is very good, but the chance of an AI powered cyber-attack, either directly or through the ATO. How are you guarding against this?**

**3.1.37. How is AI actually helping grow our super balances? If AI is making things more efficient and cutting back on staffing costs, why are our admin fees going up instead of down?**

**Response:**

- Cyber attacks are unfortunately more common and increasingly sophisticated - both globally and here in Australia - so it is right to be vigilant. We take cyber security and threats very seriously and cyber risk and data cyber security are top priorities both globally and here in Australia. The MSAL Board takes a very close interest in good cyber governance and takes comfort that our parent company, Marsh, invests significant resources to manage these risks effectively. That capability includes a dedicated team that continuously monitors for cyber threats, tested and effective incident response procedures, thorough investigation of any security events to prevent recurrence, ongoing threat intelligence to stay ahead of emerging risks, and regular system checks and vulnerability scans to fix weaknesses early. Together, these resources and our local controls help us detect, respond and recover quickly to protect your super. If you have concerns or see anything suspicious, contact us on 1800 682 525 or visit [mercersuper.com.au/onlinesafety](https://mercersuper.com.au/onlinesafety) for simple steps to protect your privacy and identity.
- We spoke about the reasons for the recent administration fee changes in the AMM. You can watch a recording of the meeting on our [website](#) and find a copy of the minutes of the meeting. We continue to look at ways AI can assist with administration within Mercer Super. The technology has not yet advanced to be utilised in a way that significantly reduces costs within our administration business.

**3.1.38. Can I offset capital gains in super against my capital losses outside of super? What are the real advantages in leaving money in super shares rather than withdrawing and investing in the same shares directly?**

**3.1.39. What is my super doing for me? Why should I have super and not invest myself?**

**Response:**

- No, capital gains within super are not relevant to your personal tax return.
- One significant advantage of investing through super is tax. Pre-tax (“concessional”) contributions – money that goes into super before income tax, and your investment earnings are generally taxed at 15%, instead of your marginal tax rate (your usual personal income tax rate). You also get the benefit of Mercer’s investment experts. Mercer is a locally led, global expert in retirement and investments, and Mercer Super leverages its scale and expertise to benefit members. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**3.1.40. I'm worried that forced Digital ID will prevent me from accessing my money when due? How can I avoid this?**

**3.1.41. Do I have to fill out the application and also send my ID every time I want to withdraw money, or can I sign a one off form authorising my withdrawals?**

**Response:**

- If you have concerns around what ID you are able to provide we suggest contacting our Helpline to discuss your specific circumstances. ID requirements are in place to ensure the security of our members' super.
- ID is required for each withdrawal. This is to ensure we can verify the legitimacy of each request.

**3.1.42. When can I gain any of my super?****3.1.43. What age can we withdraw from the super.****3.1.44. What are the new regulations regarding early release for surgeries?****3.1.45. Using your super for dental care?****3.1.46. Can I take super out to invest in a Joint Venture?****Response:**

- Your superannuation can be accessed once you meet a condition of release. Further information can be found on the [ATO's website](#).
- Regarding the release of super for certain medical issues, this falls under the ATO's rules around eligible release on compassionate grounds. You can find more information on the [ATO's website](#).
- A withdrawal for investment purposes would still require you to have satisfied a [condition of release](#).

**3.1.47. Self-management?****3.1.48. How it works with the super program?****3.1.49. What would be your top advice for managing my superfund?****3.1.50. Recently turned 60 what does this mean for my super?****Response:**

- Presumably you are referring to the option of setting up a SMSF. Mercer Super does not offer this option. We would recommend seeking advice before making any decisions. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.
- If you are looking to get more information on how super works, there is helpful information on our website. A good starting point is [What is superannuation?](#). This page contains a helpful overview of what super is and how it works, as well as a link to our various webinars that can help you gain a better understanding of your super.
- How you manage your super really depends on your individual circumstances and goals. [https://cloud.e.merceradvice.com/speak\\_to\\_an\\_adviser](https://cloud.e.merceradvice.com/speak_to_an_adviser)As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information. Having turned 60, there are several options available to you depending on your personal situation and whether you are still working. Firstly, there is no need for you to take any specific action. Your super can continue to operate as it has been until now. However, now is a good time for you to start taking an active approach to managing your super if you are not already. A good place to start is the Retirement

page on our [website](#). We recommend taking advantage of one or more of the [advice offers available to you as a Mercer Super member](#).

**3.1.51. Future growth aspects of Mercer and key differences.**

**3.1.52. What is the strategy and plan for 2027 and any improvements to be made now to reflect next year?**

**Response:**

- Our strategy focuses on sustainable growth, enhanced member experience, and continued digital innovation, with improvements underway now to simplify products, boost engagement, and strengthen risk management to continue to support our member's retirement goals.

**3.1.53. Does Mercer donate to political parties and if so how is this in the best interest of members?**

**Response:**

- Please refer to the AMM notice we sent to all members in which we confirm that Mercer Super does not make political donations. You can find a copy of the notice on our website [here](#).

**3.1.54. Specific super plans how to compare between different plans in Mercer? Leaving Employer Super Plans what happens?**

**Response:**

- To understand the differences between plans within Mercer Super you should start by reviewing the PDS and other disclosure documents for each one. If you leave an employer plan, what happens can depend on the rules of that plan. Some have Retained divisions which may have different arrangements, so you should refer to the relevant disclosure documents including the PDS, or call our Helpline for more information.

**3.1.55. I am residing in Europe now. Due to the time difference, what is the best way to contact Mercer?**

**3.1.56. Are there any perks or vouchers with partners that you provide your members.**

**Response:**

- If you call from overseas you can reach us on +61 3 8306 0900. If the time zone is an issue for you, we suggest using the secure online contact form by logging into your [online account](#) and heading to the 'Contact us' section.
- We provide, at no extra cost to you, limited personal financial advice about your Mercer Super account. We also provide access to Care & Living with Mercer - making ageing care services easier to access. It alleviates stress and assists you in making better, more informed decisions that can not only save you time and money but also improve health outcomes for you and your loved ones.

**3.1.57. Are superannuation account balances under \$250,000 protected or guaranteed by the Australian Government?**

**Response:**

- Superannuation balances are not guaranteed by the Government, regardless of the amount. Super funds are investment products where returns can be positive or negative. In super, the fund holds the deposits on behalf of many members, so the \$250,000 limit does not apply per individual member balance, as it would for a personal bank account. This is different to bank deposits in Australia which are covered by the Australian Government Financial Claims Scheme (**FCS**); the FCS protects up to \$250,000 per account holder per authorised deposit-taking institution. Super in Australia is however regulated by APRA and there are legal protections around how super is managed by the trustees of each fund.

**3.1.58. Does Mercer provide administrative support to other Superannuation funds in Australia? If so whom?**

**3.1.59. Is Mercer in the business or currently in the near future to acquire or take over other Superannuation companies in their field of expertise? Will you notify members of this, if it occurs?**

**3.1.60. As far as I have been advised via email. Life insurance was picked up by another provider, and an email of fees would be sent out. I have received no update as yet. Update please.**

**Response:**

- Mercer Outsourcing (Australia) Pty Ltd is a material service provider of Mercer Super, providing administration services to the trustee. Mercer Outsourcing (Australia) Pty Ltd is a subsidiary of Mercer Australia and a provider of superannuation and pension administration and member services in Australia. In January, Mercer Australia announced that it is selling its external stand-alone administration business in Australia to Apex Group, subject to closing conditions, including regulatory approvals. The announcement does not affect any of the services provided to Mercer Super. The exit from stand-alone superannuation administration in Australia is a continuation of Mercer Australia's strategy to focus on the sustainable growth of Mercer Super which now supports over one million members.
- The superannuation industry has been going through a period of consolidation in recent years. This allows funds to achieve greater scale and spread costs over more members, allowing lower fees. It has also been in response to increasing regulatory and compliance requirements. Any transfer of other super arrangements into Mercer Super would be communicated to members as required.
- You can find a copy of any Significant Event Notice (**SEN**) sent to you by logging into your account [here](#), going to the "Documents and forms" section and then to "Important information" then selecting "Summary of Notices". Any SEN's sent to you will be located here. You can also call our Helpline, who will be able to help you.

**3.1.61. What, if any, changes to superannuation are you expecting in the 2026 Federal Budget?**

**3.1.62. The government never ceases to change the rules for superannuation, what do you do in terms of advocacy and influencing government policies? The constantly changing goal posts undermines confidence of young people in the system. The shorter your time horizon is to retirement the lower the risk is, so for young people it is a massive concern.**

**Response:**

- Any new measures announced in the Budget are often subject to consultation and legislation before taking effect. We monitor for any developments and will communicate any relevant updates to members.

- Mercer Super is involved in various industry bodies whose role is to work with all levels of government and the regulators to ensure superannuation legislation is developed and implemented in the best interests of members. Mercer Super works with industry bodies to respond to proposed legislation and regulatory changes from Government and regulators during industry consultation periods.

**3.1.63. What are the key drivers of Virgin Money's profitability this year, and how will the acquisition impact dividend policy?**

**Response:**

- We are unable to comment on or speak on behalf of Virgin Money Australia regarding its profitability or dividend policy. Virgin Money Australia is a subsidiary of the Bank of Queensland (**BOQ**) – for authoritative and up-to-date information please review BOQ's Investor Relations site, and read their latest Annual Reports and ASX announcements. These materials may contain financial results, dividend disclosures, and investor presentations.

**3.1.64. Recent news regarding the sale of the mercer standalone admin business to apex group, is it just the start and eventually Mercer super will also sell off its administration business as well? Good to get some clarity and future outlook. How is the mercer super admin business run in its current form? Which entity runs this part of the business?**

**Response:**

- There are no current plans for changes to Mercer Super's administration arrangements. However, if there are any future changes Mercer Super will communicate those changes to members.
- The majority of member administration services are performed by Mercer Outsourcing (Australia) Pty Ltd, which is a wholly owned subsidiary of Mercer Australia.

**3.1.65. Could Mercer make it easier to extract daily performance data for all the investment options? e.g. select relevant funds, select period the data is required and then download file (csv, xls etc). Why is extra identification required when requesting an initial additional payment to the regular bank account? Why is that identification a mailed-in certified photo-id? Apart from being an admin chore for the member or fraudster, if Mercer's multi-factor authentication is secure, how does this process offer any additional security? Was this policy established prior to multi-factor authentication and the process hasn't been updated? Could Mercer provide a calculator which estimates the fees paid for an actual account balance across various investment options, rather than having to trawl through a PDS and hope to pick up all the relevant fees?**

**Response:**

- Thanks for your feedback on the member portal which was recently updated. We have passed your feedback on to our team behind the portal. Regarding identification, when we receive a request to make an initial payment to a bank account, we are required to complete identity verification under super and anti-money laundering laws. Multi-factor authentication helps protect online access but it does not replace formal checks we must complete before releasing a payment from super – particularly when it is being paid to a bank account for the first time. Given the significant sums invested in super, the risk of fraud is taken very seriously. Certified ID provides a legally recognised verification of identity. Future transactions can

typically be more streamlined. The requirements are in place to protect members and their retirement savings. Lastly, we do not have current plans to implement a calculator specific to fees, however if you need assistance please don't hesitate to contact our Helpline.

**3.1.66. What is the change to the superannuation scheme as part of Mercer Super's ongoing commitment to make your super easier to manage, your Mercer SmartSuper Plan account will be moving to Mercer Business Super around Friday 20 March 2026? Just unsure what changes to Bpay/Insurance etc. will mean.**

**3.1.67. Why my Mercer SmartSuper will be changed to Mercer Business Super in March 2026?**

**3.1.68. Why will the SmartSuper Plan account be moving to Mercer Business Super around Friday 20 March 2026? How is the payment of \$228,100,563 of Aggregate related party payments funded?**

**Response:**

- You should have received a Significant Event Notice (SEN) detailing the changes to your account. The SEN was tailored to your specific arrangements, such as whether you have insurance within your SmartSuper account. It also provided details in relation to impacts to BPAY arrangements and Insurance. You can find a copy of any SEN sent to you by logging into your account, going to the "Documents and forms" section and then to "Important information" then selecting "Summary of Notices". Please do not hesitate to contact our Helpline if you need help understanding the changes.
- We are moving all plans within Mercer Super to a single, modern technology platform with fewer products to make it easier for our members to find key account information and manage their super. Our aim is to make key details, such as unique superannuation identifiers (**USIs**), easier to find and use and provide a more consistent experience.
- These costs relate to services provided by related entities, such as administration and investment services, and are funded by the fees and costs outlined within the relevant PDS. They are not paid for by an additional fee charged to members.

**3.1.69. How do we know there is no mishandling of our money by the board members or senior managers?**

**Response:**

- The trustee has in place a detailed Risk Management Strategy that is based on the relevant APRA Prudential Standards. The Risk Management Strategy has a monitoring component whereby the trustee receives regular reporting on the risk metrics to highlight any potential issues as early as possible.

Mercer Super monitors executive performance, especially Financial Accountability Regime (FAR)-accountable executives, using performance scorecards. FAR requires senior executives and directors of super funds to have clearly defined responsibilities and be personally accountable for how those areas are managed, strengthening governance and oversight of members' retirement savings. All executive remunerations are disclosed on our website and on the Mercer Super AMM page as mandated by APRA prudential standard CPS511.

There is regulatory oversight of the superannuation industry. In Australia, the oversight of the superannuation industry is a shared responsibility between a number of regulators, primarily APRA, the

Australian Securities and Investments Commission (ASIC, and the ATO, with APRA focusing on prudential regulation, ASIC on conduct and disclosure, and the ATO on SMSFs and tax compliance.

## 3.2. Defined Benefit

**3.2.1. Further information on defined benefits super.**

**3.2.2. How is defined benefit super working?**

**3.2.3. Being a defined benefit member, now at the age of 60, how to make the super payout greater and secure.**

**3.2.4. Is there a bonus of some sort on reaching 65? In a defined benefit?**

**Response:**

- Defined Benefit plans are generally where the benefit provided is based on factors such as salary and length of service. However, all defined benefit plans have different formulas and rules in terms of the calculation of benefits. For the specific rules in relation to your defined benefit plan, please refer to your PDS or call our Helpline.
- Any payout of your defined benefit account depends on the rules of the plan. If you need help with what to do in retirement after leaving your defined benefit plan, we recommend seeking financial advice. As a Mercer Super member, you can book a limited advice appointment with a financial adviser, covering your Mercer Super account, at no extra cost. Alternatively, you may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information.

**3.2.5. Need a comfort level regarding my Defined Benefits pension and how Mercer is ensuring proper investments to provide me with the lifetime pension.**

**Response:**

- Defined benefit pensions are regulated by law. There are strict rules to make sure each defined benefit plan keeps enough money set aside to pay the benefits it may owe. This is monitored for each defined benefit plan. The plan's funding level (how much money the plan has compared with what it may need to pay out) is reviewed regularly by an appointed actuary (a qualified specialist who assesses a plan's ability to meet future payments). Sponsoring employers also have legal obligations to meet any funding requirements.

For the Westpac Group Plan Defined Benefit Lifetime Pension, the pension is a set amount, and it is indexed each year. It is not affected by investment returns on the assets that support members' pensions. For more information or help, please contact the Helpline on 1800 227 262.

**3.2.6. Will this meeting include the Westpac Group Defined Benefit Super?**

**Response:**

- The Westpac Group Plan Defined Benefit is part of Mercer Super and it is covered by the AMM. Given the complexity of defined benefit arrangements we would recommend you contact the Helpline if you have questions relating specifically to your plan.

## 4. Services

### 4.1. Education

#### 4.1.1. What support do you offer to single parents?

#### 4.1.2. What Mercer are doing to help educate members.

**Response:**

- Although not specifically targeted to single parents, Mercer Super offers a comprehensive range of educational resources and advice options to help members understand and optimize their superannuation for retirement. Our website features educational webinars covering key topics such as boosting your super, retirement planning, women's specific super challenges, investing, tax tips, insurance, beneficiaries, and estate planning. These webinars are complemented by live-streamed sessions held several times a year, open to Mercer Super members and their families and friends, featuring presentations from Mercer executives and expert guests.
- Members can access the Member Education Hub, a user-friendly digital platform with recordings of past webinars and information on upcoming events. Additionally, the [Your Path](#) Hub provides interactive tools and resources to support retirement planning, including articles, the Retirement Income Simulator, FAQs, downloadable fact sheets and worksheets, and short educational videos.
- Mercer Super members benefit from a range of advice options, including 24/7 digital advice and limited personal advice on their super accounts at no extra cost. For a more comprehensive financial review tailored to individual circumstances, members may seek personal financial advice for a fee. To speak with a Mercer Financial Adviser or for any questions about your super account, please contact our Helpline.
- Our ongoing member communications program delivers targeted information and links to relevant educational resources, enabling members to take timely action. We are committed to expanding our flexible, on-demand digital education offerings throughout 2026, empowering members to engage with super and retirement education on their own terms.

### 4.2. Member services

#### 4.2.1. Can we get financial advice from Mercer super?

#### 4.2.2. Do you offer free financial advice? If yes, how many free sessions?

#### 4.2.3. How does Mercer's Comprehensive Advice Fee compare with the market? How can you make it more affordable for all customers?

#### 4.2.4. Is it a good idea to see a financial advisor before changing things in my super?

**4.2.5. What new tools or resources are available to help members make better investment decisions? How can members access personalised advice, and what does it typically cover? How are you supporting members who feel uncertain or disengaged with their super? If there's one action members should consider taking after this session, what would it be?**

**Response:**

- As a Mercer Super member, you can access advice when you need it. There are no minimum requirements – all you need is a Mercer Super account. We covered in the AMM that Mercer Super offers 24/7 digital advice, along with over-the phone advice about your Mercer Super account at no cost to you. You may also seek comprehensive personal financial advice for your specific circumstances for a fee. If you would like to speak to a Mercer Financial Adviser, please contact our Helpline for more information. In the meeting, Kelly Shay, our Head of Retention and Retirement, explained further the advice options available to members. If you missed the meeting you can access a recording and the meeting minutes on our website [here](#). Further information on our advice offerings is also available on our [website](#).
- We also encourage members to engage with our online e-advice tool which does not cost anything extra plus our Retirement income simulator.
- Depending on your circumstances and the nature of the change, seeking financial advice can be helpful. As noted above, Mercer Super has different advice options available to members at no extra cost, as well as various tools on our [website](#) that may assist you. We recommend calling our Helpline to discuss the nature of any change you wish to make to determine what tools we may have available to assist you.
- Members can also check out our new member portal and app which make accessing and reviewing your super easier. We have had positive feedback on both since the update.

The AMM is a great opportunity for us to connect with our members. The aim is that members feel more engaged and ready to take a more proactive approach to managing their super. We also provide lots of information on our website designed to help members understand their super better and what actions they can take to maximise their retirement benefits. From retirement and insurance calculators to education webinars and FAQ's, as well as our advice offerings, there are lots of tools and information available.

**4.2.6. Mercer Super has 30 years of data from managing superannuation, can you consider utilising your previous performance data when discussing how to invest your super within the app?**

**Response:**

- The right investment option for each member depends on their personal circumstances. If you need advice on the right investment option for you, we recommend you contact the Helpline.

**4.2.7. Can Mercer add fund history/performance chart tools to its website?**

**4.2.8. I feel the Mercer website lacks real time fund performance information as other super companies have. A snapshot of 1 month or 3 month performance returns is not sufficient to make a decisive decision to move your money to the best performing fund. What is needed is real time unit data and corresponding interactive charts. Anything else is making decisions with out of date data.**

- 4.2.9. The new website is so much more cumbersome with many more steps to forecast future performance when adjusting different investment options/levers. Is there any way to make this a little more efficient?**
- 4.2.10. How to make member portals more helpful to members.**
- 4.2.11. Has the Mercer Super app been replaced? Do I need to download the new Mercer Super app and fill in my details as before? Until now, I haven't dared to replace it because I'm afraid it might be a scam. Please explain. Thank you.**
- 4.2.12. Why had the app taken what I would call a step backward in that a password is required every time together in SMS? I would have thought biometrics like it was together with an SMS would be user friendly and secure still.**
- 4.2.13. Do Virgin members use the mercer app?**
- 4.2.14. How can members trust Mercer's digital competence when the secure portal fails (Error 500) and the complaints email bounces, leaving overseas members with zero ability to access their life savings?"**

**Response:**

- Mercer Super provides Monthly and Quarterly investment reports on our website [here](#). The Quarterly report in particular contains lots of information on performance that you may find useful. If you [log into your account online](#) you can also find investment information, including performance specific to your chosen investment options.
- We appreciate the feedback on the member portal. You can access the most current unit prices on the website. It is therefore possible to look at the movement of those unit prices between 2 given dates if you want to track performance over a selected period. We have passed on your feedback for future updates.
- We launched the new Mercer Super app and member portal last year. The updates are part of our digital transformation project, aimed at improving how members can manage their Super accounts online. The changes included a new user-friendly interface, fully optimised mobile compatibility, a personalised dashboard and improved security measures. If you have any specific feedback on the new app or portal please do not hesitate to contact us.
- Yes, we have updated the Mercer Super app. If you prefer, you can access a link to download the new app from our [website](#).
- For the launch of the new app, biometric login has been temporarily removed. This means you will need to enter your email address and password each time you log in. For an extra layer of security to your account, we have already implemented Multi-Factor Authentication, which requires an additional verification step beyond just your password. This change is a temporary measure as we work on improving biometric authentication. We plan to reintroduce biometric login later this year to provide a more seamless experience while maintaining strong security.
- Virgin Money Super members do not currently have an app available.
- If you are having specific issues accessing the member portal or the complaint email address, we recommend you contact our Helpline so we can assist you personally.

**4.2.15. Do you have Auslan Interpreters?**

**Response:**

- Mercer Super uses Translation & Interpreter service (TIS National) to assist members, where required.

**4.2.16. Why is it not possible to send, either by post or email, a regular statement of my super account so I can stay informed?**

**Response:**

- Mercer Super sends all members an Annual Statement which details their opening and closing balance, as well as all transactions for the period 1 July to the following 30 June. These statements are usually sent around August to September each year. How you receive the statement will depend on your communication preference. If you have not been receiving your statement we may have an incorrect address for you. If this is the case, we recommend you contact us. You can update your details via the member website, the app, or by calling the Helpline.

**4.2.17. Is it possible to know or get an idea of how much super someone will have when he/she retires? I knew two people when they retired got different amounts when they started working at the same age.**

**4.2.18. How do I find out what I will get if I retire now vs 5 years' time?**

**4.2.19. At this current stage what is considered "enough" super (for retirement in 20- 25 years / single mum, 2 kids)?**

**4.2.20. How much money does a couple need to retire with for a comfortable lifestyle?**

**Response:**

- You may wish to use our Retirement Income Simulator available our [website](#). This page also contains useful information about the Retirement journey and how you can access advice from Mercer Super.

**4.2.21. Some members have expressed concerns about delays, admin errors and changes taking longer than originally committed. What specific steps is Mercer taking to improve its administration stability and ensure that member experience commitments are actually delivered on time?**

**Response:**

- At Mercer Super, we aim to ensure that member experience commitments are met consistently and on time. Currently, a significant percentage of transactions (approximately 90%) are processed via straight through processing with no manual intervention. This automation reduces the chance of errors and speeds up processing times. We have enhanced our claims management by adding more case managers and refining our processes. These improvements help streamline the overall claims journey, reducing the time it takes to finalise each claim. We are also consolidating legacy systems into a single registry system. This move improves consistency across our operations and reduces operational risks, enabling us to deliver a more reliable and seamless service to our members. When errors do occur, we have dedicated teams focused on quickly correcting mistakes and supporting members through the resolution process to ensure their concerns are addressed promptly.

# 5. Regulatory

## 5.1. General

- 5.1.1. APRA imposed additional licence conditions on 27 May 2024 after Mercer acknowledged significant breaches of SPS 220, SPS 231 and SPS 232. Can you update members on what has been remediated, timelines to complete the independent expert review, and when the Chair expects to attest compliance to APRA? Since completing the BT SFT, which cost, fee and service synergies have actually been realised for members, and what further integration benefits do you expect over 2025/26? Following the Federal Court's \$11.3m penalty in August 2024, what changes have you made to controls over ESG claims, product disclosures and exclusion monitoring, and how are these changes being independently tested?
- 5.1.2. There was adverse mention in the press regarding Mercer Super and regulatory compliance. Can you please throw some more light on what the failure was?
- 5.1.3. Could the Board please provide an update on the status of the Federal Court proceedings initiated by ASIC in August 2025 regarding alleged failures in the reportable situations regime? Specifically: Is Mercer continuing to fully cooperate with ASIC in this matter? What progress has been made since the last case management hearing updates, and what are the next steps anticipated following the scheduled hearing around this time? Have any internal reviews or remedial actions been taken, including whether any team members directly involved in the alleged issues have been stood down, reassigned, or subject to other measures pending resolution?
- 5.1.4. Have there been any governance concerns or regulator feedback this year?

### Response:

- Over the past 18 months, Mercer Super has been progressing a significant enterprise-wide risk transformation across the trustee operating entities and key service providers, under direct Board oversight. This is a multi-year program designed both to remediate the issues identified by APRA, and to strengthen governance, risk management, service provider oversight and operational resilience across the fund as it grows.

This work has included strengthening Mercer Super's risk management framework in line with Superannuation Prudential Standard (SPS) 220. The breaches identified in relation to SPS 231 and SPS 232 were addressed before Cross-Industry Prudential Standard (CPS) 230 came into effect 1 July 2025. Mercer Super's focus has since been on integrating those improvements within the broader operational risk, service provider, and resilience requirements of CPS 230, so the fund is operating to the current prudential standard.

In practice, this work has meant stronger frameworks, policies, standards and controls, clearer roles, responsibilities and accountability across the three lines, better incident and issue management, stronger oversight and monitoring of service providers, improved business continuity and critical operations planning, and uplift in training and capability across Mercer Super and related entities.

A number of important remediation milestones have already been completed, and the program is now well advanced in implementation. The focus is on completing the remaining actions, continuing to test effectiveness, and ensuring the changes are sustainable over the long term.

The independent expert review remains an important part of this process. Any formal confirmation to APRA from the Board Chair noting the completion of milestones associated with the program would only occur once the Board and the independent expert are satisfied that the required improvements have been fully embedded and are operating effectively in practice.

- The 2025 Shaping Super report produced by Mercer Consulting has highlighted the profound changes occurring across the superannuation industry in Australia. According to the report, the number of APRA approved funds will reduce from 89 in 2024 to around 50 in 2029 and to 30 by 2034. The report highlights how the consolidation of funds is about having scale to deliver improved investment performance after fees and costs (net returns) along with continued enhancements to member servicing. This is what we sought to achieve with the BT Super merger.

We have learned much from the acquisition. As a result, we have invested in and built capability as we have grown from a fund of 200,000 members to over one million members today.

Members have experienced benefits from it. On day one of our merged super fund in April 2023, we immediately handed over a meaningful benefit to members by way of fee reductions. And importantly we delivered fee reductions without compromising quality or performance. The capital investment Mercer Australia has deployed has helped us to lower fees, deliver strong investment outcomes – and invest in member service capability.

The improvements have flowed through to members. This is evidenced by the improvement in Mercer Super's performance in APRA's annual performance assessment, which has increased over 40 basis points p.a. between 2021 and 2025.

- Thank you for your question about matters that were resolved by the Federal Court in 2024. The cause of the matter related to a breakdown in our marketing processes which allowed overly broad marketing statements to be published, rather than any individual responsibility. We have addressed these issues and undertaken a comprehensive review of our internal marketing processes and procedures, resulting in significant changes in how we approve customer facing documents, including having clear sources of truth and improved systems for signoffs. At the time of the Federal Court's penalty decision, Mercer Super issued a public statement, a copy of which can be found [here](#).
- ASIC has made certain allegations concerning the systems, processes and operational matters around Mercer Super's obligations to self-report incidents between the period 1 October 2021 and end of September 2024. The parties are continuing to discuss next steps in the proceedings and Mercer Super is fully cooperating with ASIC in all discussions. Given the case is ongoing, Mercer Super cannot comment further on the matter until it is resolved. As noted above, Mercer Super has been engaged in a significant program of system, process and procedure uplifts for a number of years and continues to initiate improvements.
- Mercer Super regularly engages with its regulators in relation to fund matters, industry developments and regulator priorities. These discussions are held on a confidential basis, and often result in feedback which enables Mercer Super to improve its servicing of members.